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Starr Opens Impeachment Inquiry by Denouncing Clinton

Japan Feels President's 'Magic' in Tokyo Talk

By Kevin Sullivan and John F. Harris
Washington Post Service

TOKYO — Harumi Kato is mad at Bill Clinton and thinks the president and everyone else in the United States should butt out of Japan's financial problems.

But Thursday evening, as she walked out of the television studio where Mr. Clinton held one of his trademark "town meetings," she pronounced herself smitten: "Tonight, I felt the magic of Clinton."

"He was not trying to be a big man; he was like one of us," said Mrs. Kato, 29, a Tokyo office worker. "We were surprised that he could answer all of our questions. No Japanese politician could do that."

It was a remarkable convergence of political cultures on nationally televised display. Mr. Clinton brought his signature brand of personal banter — he said he loves Kirin beer and sushi — and policy sermonettes to a nation accustomed to austere reserve and little working knowledge of issues from its political leaders.

The audience of 125 people aptly reflected the mixed feelings that many Japanese these days have about the United States and its leader, who is making his first visit here in more than two years.

The first questions were polite to the point of fawning: How did Mr. Clinton handle the pressure of his job? What was his favorite meal that Mrs. Clinton cooked for him? (Chicken enchiladas.) But others revealed a clear undercurrent of grievance: Why was he favoring China over Japan? Why are Americans trying to pry open Japanese agricultural markets at the expense of the Japanese family farmer?

And one homemaker from Osaka proved that there are some subjects he cannot avoid on either side of the Pacific: "How did you apologize to Mrs. Clinton and Chelsea? I feel I would never forgive my husband for doing that. Did they really forgive you, Mr. President?"

The audience gasped at what some felt was an impertinent reference to the controversy over his affair with Monica Lewinsky, a former White House intern, but Mr. Clinton responded curtly:

"Well, I did it in a direct and straight-

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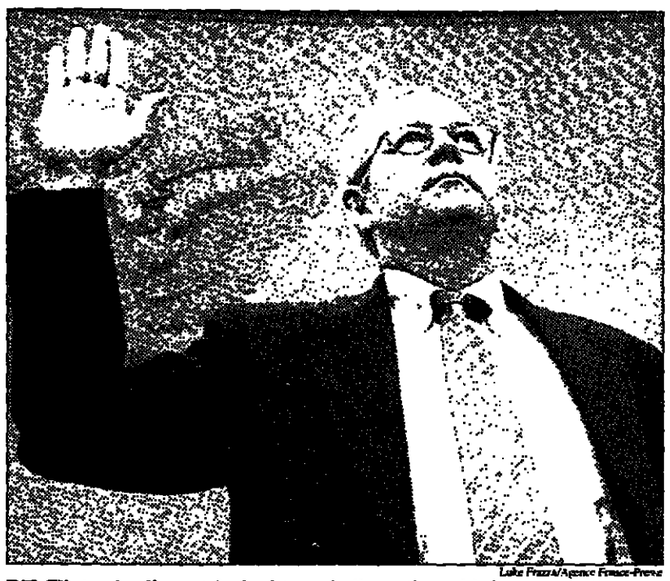
Greg Gibson/The Associated Press



Luke Frazza/Agence France-Presse

Bill Clinton leading a televised town hall meeting with Japanese citizens in Tokyo on Thursday, the same day the independent counsel, Kenneth Starr, was sworn in before the House Judiciary Committee to testify on his call for impeachment over the president's relationship with Monica Lewinsky.

He Charges The 'Search For Truth' Was Blocked

By Brian Knowlton
International Herald Tribune

WASHINGTON — Kenneth Starr, the independent counsel who has spent most of this year investigating the Monica Lewinsky scandal, laid out his case for the impeachment of President Bill Clinton on Thursday in a dramatic appearance before the House Judiciary Committee.

As the first and probably most important witness in the third presidential impeachment inquiry in U.S. history,

Excerpts from Starr's testimony to House committee. Page 4.

Mr. Starr said Mr. Clinton had "thwarted the search for truth," misused "the machinery of government" and thrown up "roadblocks and hurdles" to interfere with the prosecutor's work and that of lawyers in the Paula Jones sexual harassment lawsuit.

The hearing also provided Democrats with their first opportunity to confront Mr. Starr, and their criticism was constant and piercing from the start.

They complained that the 30 minutes given to David Kendall, Mr. Clinton's lawyer, to question Mr. Starr was inadequate. They frequently interrupted Mr. Starr's testimony with points of order, each of which a clearly impatient chairman, Representative Henry Hyde, Republican of Illinois, overruled.

The ranking Democrat on the committee, Representative John Conyers of Michigan, called Mr. Starr a "federally paid sex policeman" and a "rogue attorney."

The battle reflected a moment of grave constitutional import, the greatest test of the country's fundamental democratic institutions, but at same time an intensely partisan exercise. The 35-person committee comprises 20 Republicans and 15 Democrats.

Every major television network carried at least the start of Mr. Starr's 2-hour 12-minute presentation live.

It was the best opportunity the former federal judge has had to lay out his case against the president and he did so in a clear and methodical, if professorial and sometimes dry, fashion. His presentation included no new charges against Mr. Clinton, whose presidency had seemed in peril when allegations first surfaced in January of his intimate relationship with Ms. Lewinsky, a former White House intern.

Mr. Starr did acknowledge publicly for the first time that his investigation, which began more than four years ago, had not found sufficient evidence to accuse Mr. Clinton of criminal misdoing in the Whitewater land venture, which led to the opening of his inquiry four years ago, or in the so-called Travelgate or Filegate cases.

He also defended himself and his office at length against the charges from the White House and Clinton surrogates that his was a politically motivated crusade to blacken the name of a popular president.

Given "the hurricane-force political winds swirling about us," he said, criticism had been inevitable if, he added, unfair.

"Any suggestion that the men and women of our office with whom I am privileged to serve enjoyed or relished this investigation is wrong," Mr. Starr said. "It is nonsense."

But Democrats clearly relished their first chance to question the independent counsel. The unrelenting attacks on Mr. Starr and the whole process appeared calculated to underscore for television viewers a sense that the Republican-led impeachment push was partisan and unfair.

Greg Craig, an attorney for Mr. Clinton, said after Mr. Starr's presentation, "The process unfortunately remains bitterly partisan, and in our view pro-

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The Prosecutor's 4-Year Pursuit of a 'Pattern'

By Eric Schmitt
New York Times Service

WASHINGTON — Late last year, Kenneth Starr wrote a draft impeachment report centering on President Bill Clinton's purported involvement in the complicated Whitewater land deal, but he decided not to send it to Congress.

The independent counsel shelved the report after concluding that the key witnesses accusing Mr. Clinton of wrongdoing were felons whose credibility was suspect.

The description of what brought Mr. Starr and his prosecutors to the brink of a confrontation with the president is outlined in the 58-page presentation that the independent counsel delivered Thursday in his high-stakes appearance before the House Judiciary Committee in its impeachment inquiry.

In his statement, Mr. Starr exonerates Mr. Clinton of personal culpability in several other inquiries, including the dismissal of the White House travel office staff and the administration's improper gathering of hundreds of FBI files on former Republican officials.

But the independent counsel makes clear that the travel office investigation "is not terminated," with an announcement of "decisions and actions soon." Mr. Starr also notes there are still "outstanding issues" involving one person in the FBI files matter.

Mr. Starr's testimony represents the most detailed accounting of his investigations outside the Monica Lewinsky matter since his August 1994 appointment.

In summing up the four-year, $40 million inquiry, Mr. Starr says, "The pattern of obstruction of justice, false statements and misuse of executive authority in the Lewinsky investigation did not occur in a vacuum."

As the prosecutor sought to show a pattern of obstruction and stonewalling by the Clinton administration, he emphasized, and reserved his strongest language for, the Arkansas land deal.

The basic outlines are well known. Madison Guar-

See PROBE, Page 4

Japan's Liberal Democrats Cut Deal With Defector

By Stephanie Strom
New York Times Service

TOKYO — Politics took a turn to the usual here Thursday as the governing Liberal Democratic Party opted for political expedience and agreed to form a coalition government with its archenemy, Ichiro Ozawa, and his Liberal Party.

The alliance will strengthen the party's sway in Parliament, mollify its restive hard-liners and give it sure support in upcoming budget debates.

"I am happy that we have agreed to work together on various policies with strong cooperation in the parliamentary session and on the 1999 budget discussion," said Prime Minister Keizo Obuchi, who finalized the deal with Mr. Ozawa after three and a half hours of talks Thursday afternoon.

But the agreement, to be formalized in January, leaves the Liberal Democrats 11 votes short of a simple majority in the Upper House and may drive a wedge between the conservative and progressive wings of the party.

Some observers said that intraparty bickering might further destabilize the already splintered Liberal Democrats and divert their attention at a time when the country faces its most severe postwar economic downturn.

"I think this will simply complicate the political decision-making process and waste time," said Takeshi Sasaki, a professor of political science at Tokyo University.

But the currency market took the alliance as a sign that the government would be able to push its agenda more smoothly. The yen gained against the dollar immediately after the coalition was announced.

For Mr. Ozawa, the agreement is a stunning coup. A defector from the Liberal Democrats, he was threatened with political obscurity after his second

See JAPAN, Page 8

Italy and Germany Vow Budget Rigor

Ministers Endorse Stability Pact

By Alan Friedman
International Herald Tribune

ROME — Oskar Lafontaine, Germany's left-leaning finance minister, took a step toward the political center Thursday as he and Italy's treasury minister, Carlo Azeglio Ciampi, promised to stick to Europe's Growth and Stability Pact, which requires fiscal rigor among the 11 nations that will adopt the European single currency on Jan. 1.

During his first foreign visit to meet his European counterparts, Mr. Lafontaine distanced himself from suggestions by other European officials that it might be necessary to soften the terms of the Stability Pact in order to finance job-creation programs.

Mr. Lafontaine still struck familiar themes, however, such as the need to manage currency levels among the euro, the dollar and the yen, and his view that Europe had achieved sufficient price stability to allow for interest rates to drop further.

Mr. Lafontaine's trip took him from Rome to London where he met Gordon Brown, Britain's chancellor of the Exchequer. Mr. Lafontaine and Mr. Brown announced two initiatives as Britain moved to deepen its rapport with Germany's Social Democratic government and increase British influence on European economic policy-making. (Page 15)

In an interview here, Mr. Lafontaine also said Germany was "open to discussing pan-European public spending on investments that would boost growth and employment." Among the ideas Mr. Lafontaine said were worth considering was the issuance of Eurobonds to finance trans-European infrastructure investments similar to those proposed at the

See LAFONTAINE, Page 8

Massimo Sambucetti/The Associated Press

Oskar Lafontaine joined his Italian counterpart in Rome on Thursday in pledging fiscal discipline.

West Bank Transfer Wins Final Approval by Israel

By Deborah Sontag
New York Times Service

JERUSALEM — Israel will start transferring 500 square kilometers of the northern West Bank to Palestinian control by early Friday morning after its cabinet gave final clearance on Thursday to the first of three pullbacks under the new peace plan.

The Israeli Army is preparing to withdraw from 7 percent of the West Bank now under joint control and to transfer 2 percent more to Palestinian civil control. It is mostly rural land between Jenin and Nablus, sparsely populated, with about 30 villages and towns.

In Kabatia, one of two large towns there, the mayor, Muhammad Ibrahim Abu Rab, said there were no specific plans yet for a celebration. No one knew what would happen and when it would happen, he said.

The town of 17,000 residents is already under Palestinian civil control, but the Israelis will turn security control over to the Palestinian police. Since the Israelis do not operate a base there, however, there will be no visible withdrawal. "We won't be able to tell that we are liberated until we get a call from the Palestinian authorities," Mr. Abu Rab said.

"When we get the instructions, then we will hold a rally and decorate the town. Everyone is waiting for this, waiting to be free of the Israelis. The troops have made their last raids here, their last arrests."

The governor of the Jenin region, Zuhair Manasra, said that Israeli and Palestinian officials would tour the area together Friday, marking borders and deciding where checkpoints will be placed.

It will be Israel's first withdrawal from the West Bank since it pulled out of most of the now-divided town of Hebron in early 1997.

The cabinet's go-ahead presented a clear sign that the carrying out of the peace plan was under way after weeks of delay and bellicose rhetoric.

The ministers, however, granted only lukewarm backing to the first withdrawal, the latest indication of Prime Min-

See ISRAEL, Page 8

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	3,000 Lire	Spain	250 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

High Smoking Rate Bodes Ill for China

2,000 a Day Die From Related Diseases; 'Epidemic' May Be Just Taking Off

By Elisabeth Rosenthal and Lawrence K. Altman
New York Times Service

BEIJING — Scientists have calculated for the first time the devastating health toll of cigarette smoking in China and declared the country to be on the verge of a major epidemic of smoking-related deaths that they said may well kill one in three Chinese men.

In a country where 70 percent of men smoke, there are now 2,000 smoking-related deaths a day, more than any other country in the world, the researchers said. And that number may increase to 8,000 a day by the middle of the next century.

"There is an unprecedented epidemic of smoking deaths," Chen Zhengming, a Chinese researcher now based at Oxford University, said at a press conference in Beijing. "And China is still in the early stages of the epidemic."

In two papers being published Friday in the British Medical Journal, researchers from China, Britain and the United States outline the emerging epidemic with abundant statistics.

U.S. tobacco pact criticized. Page 3.

For example: In China, middle-aged smokers are three times as likely to get lung cancer as nonsmokers. They are twice as likely to die of tuberculosis.

Today, more than 12 percent of deaths among men are related to smoking, and the number is increasing.

The studies, which involved interviewing more than a million people scattered across China, represent an impressive technical achievement — the largest epidemiological study ever to examine the connection between cigarettes and death.

But more importantly, their authors, mostly doctors from China's prestigious medical academies, hope this bleak and very specific picture of the devastating effect cigarettes are having in their homeland will energize China's nascent anti-smoking campaign, much as the 1964 U.S. Surgeon General's Report opened Americans' eyes to the hazards.

In China, "most people don't under-

See SMOKE, Page 8

AGENDA

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.6859	1.6766
Yen	119.6	121.6
FF	5.6555	5.6185
Pound (Dollars per pound)	1.6855	1.6707

The Dow

	Thursday close	percent change
+ 14.94	9,056.05	+ 0.17%

S&P 500

+ 8.13	1,152.61	+ 0.71%

Nasdaq

+ 22.22	1,919.66	+ 1.17%

The Intermarket — *Pages 7, 13.*

Turkish Legislators Set Confidence Vote

ANKARA (AP) — Parliament decided Thursday to proceed with a confidence vote next week that is expected to topple the Turkish government.

The vote on whether to hold a vote was 311 to 213, a signal that Prime Minister Mesut Yilmaz's minority coalition is unlikely to survive the confidence motion. It will take only 276 votes to topple his government.

Parliament will debate the motion Monday and vote Wednesday.

The opposition accuses Mr. Yilmaz of having ties to organized crime and tampering with the privatization of a state bank. He denies the charges.

Ankara rebuffs Rome, Page 6.

'Dumped Wives Club' / *Question of Immunity*

Divorced Spouses Fight UN's Deadbeat Dads

By Jim Yardley
New York Times Service

NEW YORK — They are mothers and grandmothers from Africa, Europe, Asia and the United States, now scattered throughout New York, and every month they meet in a First Avenue conference room across from the United Nations. They call themselves the *UN Family Rights Committee, but one woman says* "the dumped wives club" is more accurate.

They are estranged or divorced spouses of UN employees, women who followed their husbands to postings around the world and are chasing after *them once again. The agenda at their meetings* rarely changes.

Some cannot collect unpaid support orders from U.S. and foreign courts because the United Nations blocks them from doing so. Most are not entitled to a share of their former husbands' pensions, again because of UN policy.

One woman, a native of the Middle East, lives in a Manhattan rooming house. Her husband, a UN diplomat, left her after 40 years of marriage. She won a support order, but knows she may never collect.

Another woman, Audrey Camp Nekunam, a 71-year-old American, has unsuccessfully tried to collect court-ordered support since her husband, a *native of Iran*, left their Westchester County home 26 years ago.

"I came out of the marriage an older woman who is no longer attractive, either for marriage or for jobs, with a resumé with nothing I could put on it but housework," Ms. Nekunam said. "As an American, I can sue. I have rights to his pension and his wages. I gave these American rights up when I married a UNer. I became his ward."

Divorce is rarely simple, nor is it always fair, but these women have discovered it can be uniquely devastating for a spouse of a UN staff member. Had *Ms. Nekunam's former husband not worked at the* United Nations, a court could have garnisheed his wages. But the organization is exempt from legal process and refuses to execute family court orders, so that while most of its divorced employees do pay *their family obligations, those who do not enjoy a* measure of protection.

Diana Boernstein, a lawyer formerly with the UN legal department who now advises the spouses' group, said the United Nations' immunity privileges *were important and "were drawn up for a* good purpose."

"But they were never meant," she said, "to protect diplomats from their own families."

UN officials fear that waiving immunity, even in family court cases, could establish a precedent weakening the organization's independence. But they say they have reduced the number of unpaid support cases to a handful by threatening problem employees with unspecified "disciplinary actions."

The precise number of affected spouses is uncertain, and a subject of heated debate. The family rights committee and its advisers estimate that more than 100, nearly all of them women, live in metropolitan New York, and hundreds more are around the world. The attendance at the monthly meetings is 20 to 30.

They say the United Nations' estimate of a handful does not account for women like Ms. Nekunam, whose case is considered closed because her husband is retired.

Jerry Engel for The New York Times

Audrey Camp Nekunam in her apartment with the few pieces of furniture her husband left her.

The Clinton administration considers the problem significant enough to apply pressure. In July, Secretary of State Madeleine Albright took the unusual step of sending a diplomatic note urging international organizations to comply voluntarily *with family court orders. But a State Department* official conceded that the United States' credibility on the issue was compromised by its own failure to pay its dues to the United Nations.

For decades, even some UN officials now concede, the organization essentially ignored divorced spouses. One of the few benefits the United Nations *did provide these women struck them as somewhat* callous: a one-way airplane ticket home. The spouses lost medical insurance and, in some cases, educational grants for their children.

Foreign spouses were also vulnerable to im*migration laws, facing possible deportation within* 60 days of divorce, even if they had lived in New York for years and had borne children.

THIS month, a committee of the UN General Assembly *has begun considering changes* that for the first time could provide a small pension to some divorced spouses. For 20 years, the voting board, currently 28 men and five women, that controls the $20 billion UN pension fund had rejected all such proposals, even though pensions have become a commonly divided divorce asset.

"The whole rules and regulations of the pension fund," Ms. Boernstein said, "reflect a view of the world that went out after World War II."

But the current proposal contains a catch. A spouse receives a share of the pension only if her former husband, the employee, agrees. Many of these women cannot even find their former husbands, and few believe they would consent.

"That's like asking the American public if they want to pay income taxes," said Suzanne Colt, a lawyer who represents several UN spouses.

Ms. Nekunam lives on the Bronx River Parkway in a rent-stabilized apartment. She lived in a three-bedroom house in the Westchester community of *Hartsdale until 1972, when she returned home from* an art class and discovered her husband and half of their furniture gone.

About a year later, she received a document from Iran notifying her that her husband, Ali Nekunam, *had been granted a divorce in Tehran in her absence.* The Iranian court had not awarded any support for her.

The $200-a-week support order she received from a Westchester family court in 1973 was useless. Within months, her husband transferred to another UN agency in Austria. He never paid spousal support, *nor did UN officials garnish his pay.*

"I had greater hopes for the UN," Ms. Nekunam said. "We joined the UN when it was young, and everybody had high hopes. That's the last organization that should be against women. For heaven's sake, *what is the UN all about?*"

With no income or job experience, she rented out the house in Westchester and worked as a textile artist in the garment district, never earning more than $20,000 a year. Her husband occasionally sent *money to their three children while they were in* school. Without a pension, she survives today on a $320 monthly Social Security check and the rent from her house, which she would not disclose.

Her former husband's lawyer in New York, Joseph Marro, called Ms. Nekunam vindictive and said his client was an elderly retiree living modestly off his pension in Vienna. UN records show that Mr. Nekunam received a lump sum of $199,362 from his pension upon retiring in 1982. He receives a monthly pension payment of about $4,700, records show.

Because Mr. Nekunam has lived abroad for 25 years, Mr. Marro contended that New York courts did not have jurisdiction. Wednesday, Ms. Nekunam learned that a Yonkers Family Court judge had vacated a $70,000 judgment in her favor on the ground that the court did not have jurisdiction. Mr. Marro also said both UN policy and New York law protected his client's pension from any judgment.

"It's not really a question of what is right or wrong," he said. "It's a question of law."

Uniting Saddam's Foes: U.S. Ponders the Puzzle

By James Risen
and Barbara Crossette
New York Times Service

WASHINGTON — The Clinton administration, committed to renewed support for Iraqi dissidents, is finding the opposition groups so weak and divided and penetrated by Iraqi agents that it is uncertain how to form a united front capable of toppling Saddam Hussein.

President Bill Clinton caught the dissident groups and even some U.S. officials off-guard last weekend when he said the best way to avoid another crisis with Iraq was a change in Baghdad's government. After aborting a planned *air strike, he said the* administration would do more to support "forces of change in Iraq."

Mr. Clinton also embraced a new law that many in the Pentagon and his administration had criticized as a waste of money. It calls for Washington to provide $97 million worth of military equipment and other resources to the dissidents.

Administration officials acknowledged that the president's address suddenly revived a policy that many critics believe had been on the back burner. Indeed, the president's announcement came weeks after the top U.S. commander in the gulf, General Anthony Zinni, dismissed the new law. "I don't think these things have been thought out," he said.

Now the White House and State Department are moving quickly to try to fill in the blanks.

And some of the Iraqi groups themselves have misgivings about new U.S. backing. Leaders of some of the smaller groups say the United States may do little but revive discredited projects that lack popular support inside Iraq.

Soon after the president's address, Martin Indyk, an assistant secretary of state, met with Ahmed Chalabi, leader of the Iraqi National Congress, a dissident group that has been out of favor with the administration since its operations in northern Iraq were decimated by the Iraqi Army two years ago. Mr. Chalabi lobbied Congress to pass the $97 million funding plan, and now hopes to push the administration to designate his group as a prime beneficiary.

The administration's support represents a policy reversal, Mr. Chalabi said. "They have opened their arms."

The administration also is accelerating efforts to help unite feuding Kurdish and other groups into a cohesive opposition. These include an influential Iranian-backed Islamic Shiite group. That group, the Supreme Assembly of the Islamic Revolution of Iraq, met privately with Clinton administration officials in Washington three months ago, according to other dissident leaders. It is the largest group among Shiites in southern Iraq and *may now be willing to take part in a U.S.-* sponsored military action against Mr. Saddam, if Tehran approves.

Meanwhile, more than a dozen opposition groups in London were asked *to meet with a British government of*ficial the day after Prime Minister Tony Blair said Britain supported the efforts to undermine Mr. Saddam's regime.

But, altogether, the number of dis*sident groups and their competing in*terests have hampered Washington and London in their search for a way to topple Mr. Saddam.

Clinton administration officials ac*knowledged Wednesday that they were* not yet ready to decide which groups would receive U.S. support, and whether any would receive arms. Under the terms of the law, called the Iraq Liberation Act, the president has until the end of January to announce which groups will receive U.S. support.

Republicans in Congress say they are not convinced that the White House is serious. "They have taken a step toward *support for the Iraq Liberation Act, but I* don't see that they have really made a commitment to overthrow Saddam," said a senior Republican Senate aide. "And that's the purpose of the act."

Some Iraqi dissident groups, which are divided across ethnic and sectarian lines, worry about U.S. and British intentions, saying that any plan that provides support for the Iraqi National Congress will have little support inside the country.

■ **Weapon Inspections Continue**

UN disarmament experts pressed ahead with weapons inspections on Thursday as Iraq scoffed at President Clinton's calls for the overthrow of Mr. Saddam, Agence France-Presse reported from Baghdad.

UN weapons inspectors fanned out for a second day Thursday to test pledges of cooperation given by Mr. Saddam that prompted Mr. Clinton to abort massive military strikes against Iraq.

Iraq disclosed, meanwhile, that Foreign Minister Mohammad Said Sahhaf had sent a letter to the UN secretary general, Kofi Annan, on Tuesday renewing calls for an end to surveillance flights by American U-2 planes over its territory. Mr. Sahhaf recalled that Baghdad had asked UN weapons inspectors to use "Iraqi planes and not foreign planes to rule out any chance these aircraft are used to undermine Iraq's security and sovereignty."

Official Iraqi newspapers, such as Ath Thawra, slammed Mr. Clinton on Thursday for openly supporting opposition to Mr. Saddam. "Clinton is betting today on a bunch of insignificant mercenaries that the Iraqi people have rejected," the paper said.

A U.S. Embassy To Close 3 Days

The Associated Press

BANGKOK — The U.S. Embassy in Bangkok will be closed for three days, starting Friday, because of security concerns, an embassy spokesman said Thursday.

He declined to discuss whether there was a specific threat against the embassy, but said that the closing was related to matters discussed in a statement by the State Department on Nov. 12.

That public warning said that "the potential for retaliatory acts against Americans and American interests overseas continues to exist" because of the dispute with Iraq over United Nations weapons inspections as well as the arrests of suspects in the bombings of two U.S. embassies in Africa on Aug. 7.

It also warned of continuing threats by terrorists, including Osama bin Laden, who was indicted for the embassy bombings in Kenya and Tanzania.

The decision to close the embassy in Thailand was a local initiative in response to the security threat and not a worldwide directive, said the spokesman.

He said he did not know if other U.S. embassies were planning to close.

TRAVEL UPDATE

Rail Workers in EU to Strike Monday

BRUSSELS (AP) — Railroad workers plan to paralyze train traffic in six European Union nations Monday to protest liberalization plans, but trade union differences stand in the way of an EU-wide rail strike.

Train traffic is expected to come to a halt in France, Spain, Belgium, Portugal, Greece and Luxembourg. Unions will hand out leaflets to commuters in Germany, Britain, Austria and the Netherlands in a bid to stop plans to further privatize the sector.

The EU's Executive Commission already has a blueprint to increase *liberalization in the freight sector from 5 percent to 25 percent to try to* increase the efficiency of Europe's dense railroad network.

For the unions, further liberalization will threaten the jobs of the 965,000 railroad workers in the EU and attack the guarantee that minimum rail services will continue to be delivered.

Visa International announced Thursday it was inaugurating checks in euros, which can be used in stores *that set out prices in the Euro*pean single currency. American Express and Thomas Cook have already said their own versions will be available from Jan. 1. *(AFP)*

Air France flights virtually returned to normal Thursday after a two-day strike by cabin crew that forced the cancellation of nearly half the *airline's services. Passengers* can consult a web site, *www.airfrance.fr*, for details on flights. *(AFP)*

WEATHER

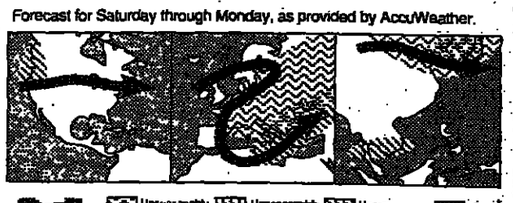
Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	10/64	10/50 s	18/64	11/52 s
Amsterdam	1/34	-2/29 s	8/46	3/37 c
Ankara	11/52	3/37 pc	12/53	2/36 pc
Athens	18/64	15/59 r	16/61	8/46 c
Barcelona	8/46	1/34 s	8/46	1/34 s
Belgrade	1/34	-4/25 sf	1/34	-4/25 sn
Berlin	2/36	-4/25 pc	1/34	-2/29 s
Brussels	1/34	-3/27 s	4/39	2/36 pc
Bucharest	-1/31	-6/29 sn	3/37	-3/27 r
Budapest	2/36	-5/24 pc	-3/27	-5/24 sf
Copenhagen	-2/29	-4/25 pc	2/36	1/34 pc
Costa Del Sol	16/61	7/44 pc	16/61	8/46 s
Dublin	12/53	10/50 sh	14/57	8/46 sh
Edinburgh	9/48	8/46 r	12/53	8/46 r
Florence	2/36	-5/23 pc	-1/31	-7/20 c
Frankfurt	-3/27	-8/18 c	-3/27	-4/25 s
Geneva	-1/31	-7/20 pc	-2/29	-6/22 s
Helsinki	-5/23	-9/16 pc	-2/29	-5/23 sf
Istanbul	13/55	12/53 c	16/61	11/52 r
Kiev	-6/22	-11/13 pc	-7/20	-9/16 c
Las Palmas	23/73	16/61 s	22/71	16/61 s
Lisbon	16/61	10/50 pc	16/61	11/52 s
London	7/44	5/41 c	10/50	6/43 sh
Madrid	14/57	1/34 s	14/57	3/37 s
Majorca	11/52	-1/31 pc	9/48	-1/31 s
Milan	1/34	-10/14 s	-1/31	-9/16 s
Moscow	-12/11	-17/2 c	-12/11	-12/11 pc
Munich	-6/22	-13/9 sn	-6/22	-11/13 pc
Nice	7/44	-3/27 s	4/39	-3/27 s
Oslo	-2/29	-9/27 c	2/36	2/36 sn
Paris	4/39	-2/29 pc	3/36	-2/29 pc
Prague	-6/22	-11/13 sn	-5/24	-8/18 pc
Reykjavik	6/43	4/39 sn	5/41	0/32 r
Riga	-8/18	-9/16 pc	-4/25	-5/24 c
Rome	7/44	0/32 pc	3/37	-4/25 c
St. Petersburg	-8/19	-11/13 c	-4/25	-5/24 c
Sofia	2/36	-2/29 sn	1/34	-4/25 c
Stockholm	-4/25	-7/20 pc	1/34	1/34 c
Strasbourg	-2/29	-8/18 pc	-2/29	-5/24 s
Tallinn	-7/20	-7/20 c	-2/29	-2/29 sf
Tbilisi	14/57	4/39 pc	17/62	4/39 pc
Vienna	1/34	-7/20 pc	2/29	-5/16 pc
Warsaw	0/32	-7/20 s	-5/24	-9/16 c
Zagreb	-7/20	-12/11 sf	-6/22	-7/20 pc
Zurich	-3/27	-11/13 pc	-4/25	-8/18 pc

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	24/69	21/70 s	24/93	21/70 s
Beirut	24/75	18/64 s	27/80	18/64 s
Cairo	27/80	16/61 s	28/84	16/64 s
Damascus	28/79	11/52 s	29/79	12/53 s
Jerusalem	25/77	14/57 s	24/75	13/55 s
Luxor	31/88	15/59 pc	33/91	14/57 pc
Riyadh	30/86	10/50 pc	31/88	14/57 s
Tehran	18/64	10/50 pc	20/68	11/52 pc

Forecast for Saturday through Monday, as provided by AccuWeather.



North America
Storms with damaging winds, torrential rain and mountain snow will lash the Pacific Northwest. Rain *may reach to San Francis*co, but Los Angeles will be dry. Turning quite mild in Chicago and Toronto. Dry and tranquil in the East.

Europe
Milder in London over the weekend, but remaining chilly in Paris. Showers are possible in both cities Monday. Windy and cold in Rome with snow in the nearby mountains and a chance of rain in the city. Dry and cool in Madrid through the period.

Asia
Tropical Storm Dawn will cause flooding rain in southern Vietnam, Cambodia and the Mayiay Peninsula while another tropical storm heads for eastern India north of Madras. Seoul and Beijing will be cold with a chance of snow. Tokyo will be dry and chilly.

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North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	0/32	-9/16 c	-3/29	-11/13 sn
Atlanta	20/68	5/43 sh	13/55	3/37 pc
Boston	13/55	3/37 s	7/44	-1/31 pc
Chicago	4/39	-2/29 pc	8/46	2/35 pc
Dallas	14/57	4/39 pc	17/62	8/46 pc
Denver	9/48	-3/27 s	18/64	2/35 s
Detroit	6/43	-3/27 c	7/44	0/32 c
Honolulu	25/77	19/66 t	29/82	21/70 sh
Houston	19/66	10/50 sh	17/62	11/52 sh
Los Angeles	24/75	14/57 s	25/77	11/52 pc
Miami	29/84	22/71 pc	28/82	20/68 pc
Minneapolis	1/34	-7/20 pc	5/41	1/34 s
Montreal	4/39	-9/16 c	-2/29	-9/16 pc
Nassau	28/82	21/70 pc	28/82	21/70 pc
New York	16/61	7/44 sh	9/48	2/35 pc
Orlando	28/82	17/62 pc	26/79	14/57 pc
Phoenix	24/75	10/50 s	27/80	12/53 s
San Fran	17/62	10/50 pc	17/62	10/50 pc
Seattle	11/52	7/44 r	11/52	6/43 r
Toronto	4/39	-5/23 sf	1/34	-3/27 s
Vancouver	10/50	2/35 r	8/46	-1/31 c
Washington	16/61	5/43 sh	11/52	0/32 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	18/61	2/36 s	11/52	0/32 c
Bali	32/89	25/77 t	31/88	25/77 r
Bangkok	30/86	24/75 r	27/80	24/75 r
Beijing	11/52	-4/25 s	-1/31	-1/31 sn
Bombay	32/89	22/71 pc	32/89	22/71 pc
Calcutta	32/89	22/71 s	31/88	22/71 pc
Chiang Mai	32/89	18/64 pc	29/84	18/64 pc
Colombo	31/88	24/75 pc	31/88	[illegible] pc
Hanoi	27/80	20/68 pc	27/80	[illegible] c
Ho Chi Minh	29/84	24/75 t	27/80	23/73 r
Hong Kong	26/79	21/70 pc	26/79	21/70 pc
Islamabad	29/84	8/46 s	29/84	8/46 s
Jakarta	29/84	25/77 t	29/84	24/75 r
Karachi	31/88	19/66 s	33/91	19/66 s
K. Lumpur	31/88	23/73 r	32/89	23/73 c
K. Kinabalu	29/84	24/75 r	30/86	24/75 r
Manila	31/88	23/73 pc	29/84	24/75 t
New Delhi	28/82	18/64 s	28/82	12/53 s
Phnom Penh	28/82	24/75 pc	28/82	24/75 r
Phuket	30/86	24/75 r	27/80	24/75 r
Rangoon	33/91	23/73 pc	32/89	23/73 pc
Seoul	2/36	-7/20 s	2/36	-4/25 pc
Shanghai	16/61	11/52 pc	19/66	10/50 sh
Singapore	33/91	25/77 pc	33/91	25/77 pc
Taipei	23/73	19/66 r	24/75	20/68 sh
Tokyo	11/52	6/43 s	9/48	3/37 s
Vientiane	31/88	18/64 pc	29/84	20/68 sh

Africa

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algiers	12/53	8/43 sh	11/52	1/34 s
Cape Town	19/66	13/55 c	23/73	14/57 s
Casablanca	20/68	10/50 s	21/70	12/53 s
Harare	24/75	10/50 c	26/79	9/48 c
Johannesburg	24/75	16/64 sh	26/79	16/61 sh
Lagos	32/89	23/73 pc	32/89	24/75 s
Nairobi	24/75	13/55 c	26/79	13/55 sh
Tunis	14/57	4/39 c	11/52	-1/31 pc

Latin America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Buenos Aires	28/82	16/61 s	28/82	16/61 s
Caracas	28/82	19/66 sh	27/80	21/70 sh
Lima	24/75	18/64 pc	24/75	19/66 pc
Mexico City	22/71	11/52 pc	18/61	8/46 c
Rio de Janeiro	24/75	17/62 sh	23/73	18/64 sh
Santiago	30/86	8/46 s	28/82	11/52 s

Oceania

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Auckland	18/66	16/60 c	19/66	15/59 r
Sydney	18/64	12/53 c	20/68	18/64 pc

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THE AMERICAS

Catholics Bring Abortion Debate to the Fore

By Hanna Rosin and Thomas B. Edsall
Washington Post Service

WASHINGTON — America's top Roman Catholic leaders have started an aggressive campaign to lobby against abortion and to mobilize parishes across the country into a powerful new voting bloc against candidates who support abortion rights.

The bold assertion Wednesday by the country's Catholic bishops marks a new era in the church's political activism. While the church's 400 U.S. bishops have always strongly opposed abortion, many have been reluctant to impose their views in a public arena. Not since the 1970s have they vowed as a group to so directly and visibly influence politicians and voters on such a crucial issue.

Their decision means that the bishops could emerge into a powerful new force in the abortion debates. Many abortion-rights advocates said they feared the bishops' considerable influence could reinstitute a litmus test for candidates and recharge the abortion wars.

The resolution, passed Wednesday by a vote of 217 to 30 at the semiannual meeting of the National Conference of Catholic Bishops, urges priests to target Catholic politicians in particular, relentlessly imploring those who do not oppose abortion to rethink their views.

The resolution calls for the bishops to request private meetings with elected officials and political candidates and write letters until they change their minds. If necessary, it urges the bishops to go public with their criticism, but it stops short of calling for recalcitrant public officials to be sanctioned by barring them from the church, for example.

The paper also asks priests to tell their congregations to consider a candidate's position on abortion as a first priority when casting a ballot, and to place this issue above all other social justice concerns that the church has long espoused, on such matters as welfare, poverty, euthanasia or assisted suicide.

Being "right" on those issues, the statement says, "can never excuse a wrong choice regarding direct attacks on innocent human life."

Abortion rights advocates, as well as a few dissenting bishops, criticized the decision. At a time when Catholics are sharply divided in their views on abortion, the bishops' resolution could be construed as an attempt to intimidate those who don't follow the church's teachings. And given how soundly many Americans reject the Christian right's political influence, according to some opponents, voters might resent another moral lecture.

"It's a question of strategy," said Howard Hubbard, a bishop in Albany. "We run the risk of creating another anti-Catholic backlash, of creating the impression that the Catholic bishops are trying to dictate how a politician must vote. From the public's point of view, it looks like undue coercion."

Cardinal Bernard Law of Massachusetts, who helped draft the document, singled out his home senators as targets for the drive.

"Both senators in my state are Catholic and wrong in the way they approach abortion," he said, referring to Democrats Edward Kennedy and John Kerry. "The governor of the state is from a different party and he is wrong," he said of Paul Cellucci. "Only I am right."

His message met with immediate resistance, however. "Senator Kennedy has great respect for Cardinal Law and the Catholic Conference, but he continues to support a woman's right to choose," said a Kennedy spokesman.

Representative Nick Lampson, Democrat of Texas, a Catholic who generally favors abortion rights but opposes "partial-birth" abortion, is "a devout Catholic who takes his faith seriously," a spokesman said. But abortion "is a personal matter and his personal salvation is his own personal, private matter," he said.

Smoke and Demurrers

Critics Say Proposed Settlement Hides Bonuses for Tobacco Firms

By Saundra Torry
Washington Post Service

WASHINGTON — Cigarette makers stand to gain more from their proposed $206 billion tobacco settlement than was initially apparent, critics say, arguing that the deal could provide the industry with protection from a wide array of state lawsuits and from the financial brunt of any future federal cigarette taxes.

Critics found what they called loopholes and unexpected industry benefits in the complex agreement, which would shut down the biggest legal threat the industry has ever faced. Still, the deal seemed to be moving steadily toward approval, with at least 16 states having signed on.

Wall Street analysts have proclaimed the deal favorable for leading cigarette makers, saying that it calls for lower up-front payments by the industry than last year's failed national deal, a boon to companies because it gives them more time to recoup the costs.

Stocks of the nation's two largest cigarette makers, Philip Morris Cos. and R.J. Reynolds Tobacco Co., have climbed steadily since July 9, the eve of the first major news reports that the companies were trying to craft a multistate settlement with their adversaries, according to Bonnie Zoller, a tobacco analyst at Credit Suisse First Boston.

On Thursday afternoon, Philip Morris stock was trading at $55.375, up 68.75 cents, and RJR Nabisco Holdings Corp., Reynolds's parent, stood at $30.375, up 56.25 cents. Brown & Williamson Tobacco Corp. and Lorillard Inc. are also participants.

The deal, Miss Zoller said, would "eliminate 70 percent of the litigation risk facing the industry" by settling about 36 state lawsuits.

Meanwhile, critics zeroed in on the deal's complex provisions, saying that the industry, which last year appeared at the mercy of its adversaries, had now crafted an ingenious bargain to end not only a lawsuit avalanche but buy future political and legal protection.

"It is another one of those sleight-of-hand deals," said Mary Aronson, a tobacco litigation analyst in Washington. "The industry is getting a lot more than anyone bargained for."

Chief among the industry's boons, some critics said, is a provision that would grant the industry credit on the money it pays states, if Congress in the next four years passes a cigarette tax and sends some of it to states for tobacco control or certain other uses. If Congress, for instance, passed a cigarette tax, then sent the money to states for children's health care, the industry could subtract those taxes from its payments to the states.

Senator Edward Kennedy, Democrat of Massachusetts, called the provision a "devious and cynical attempt by the tobacco companies to block congressional action on major public health issues," one that should not be in a state agreement.

Scott Williams, a spokesman for the tobacco industry, defended the provision. It would not be appropriate or fair, he said, for the states to receive huge payments from the industry first through the settlement and then through a federal tax.

Other critics said the deal would bar a broad range of future claims, including secondhand smoke cases, that might be brought by state or local officials.

In addition, health advocates said, the deal does not contain several potent tobacco-control measures, such as "look-backs," which would impose financial penalties if youth smoking rates do not decline.

Away From Politics

- **Flames fed by specially treated timbers** roared through Stearns Wharf in Santa Barbara, California, the city's chief tourist attraction, destroying three businesses and lighting up the waterfront sky. *(AP)*
- **A mother worried that powerful AIDS drugs might kill her HIV-infected 4-year-old** boy can continue to refuse treatment for him, the Supreme Court of Maine ruled. *(AP)*
- **Nine leaders of the anti-government Montana Freemen** were convicted of fraud and armed robbery at their second trial. The jury returned the verdicts after two days of deliberations, concluding a three-week trial. *(AP)*
- **A series of sweeping arches would carry a new Woodrow Wilson Bridge** across the Potomac River in the design for a 12[illegible] the replacement span chosen by a panel of officials and architectural experts in Maryland and Virginia. *(WP)*

Glasgow to Return a Sioux Relic

Jeff Mitchell/Reuters

Richard LeBeau, a Lakota Sioux representative, viewing the Ghost Dance shirt Thursday in Glasgow.

Reuters

LONDON — Councillors in the Scottish city of Glasgow decided Thursday that a sacred Sioux Indian shirt, belonging to a warrior killed more than 100 years ago, should be returned to its original owners.

The "Ghost Dance" shirt belonged to a Lakota Sioux killed by the U.S. Cavalry in the 1890 massacre of more than 150 Indians at Wounded Knee, South Dakota. It bears symbols intended to protect the wearer from the bullets of the U.S. Army.

It has been in a Glasgow museum since its purchase in 1892 from a member of "Buffalo Bill" Cody's traveling Wild West Show.

The Lakota learned of the shirt in 1994 when a vacationing Native American lawyer, John Earl, saw it.

"My heart stopped," he recalled Thursday in Glasgow. "It is of a value that is very difficult to communicate to someone who is not a Native American."

THE AMERICAS

Text of Starr Statement Outlines 10 Ways Clinton Allegedly Misused Power

The Associated Press

Following are excerpts from the two-hour presentation Thursday in Washington by the independent counsel, Kenneth Starr, to the House Judiciary Committee, which is holding inquiries into the possible impeachment of President Bill Clinton.

As our referral explains, the evidence suggests that the president made false statements under oath and otherwise thwarted the search for truth in the Jones v. Clinton case. The evidence further suggests that the president made false statements under oath to the grand jury on Aug. 17. The evidence suggests that the misuse of presidential authority occurred in the following 10 ways:

First. The evidence suggests that the president made a series of premeditated false statements under oath in his civil deposition on Jan. 17, 1998.

Second. The evidence suggests that ... the president engaged in a pattern of behavior during the Jones litigation to thwart the judicial process. The president reached an agreement with Ms. Lewinsky that each would make false statements under oath. He provided job assistance to Ms. Lewinsky at a time when the Jones case was proceeding and Ms. Lewinsky's truthful testimony would have been harmful. He engaged in an apparent scheme to conceal gifts that had been subpoenaed from Ms. Lewinsky. Those acts constitute a pattern of obstruction.

Third. The evidence suggests that the president participated in a scheme at his deposition in which his attorney, in his presence, deceived a United States district judge in an effort to cut off questioning about Ms. Lewinsky.

Fourth. The evidence suggests that on Jan. 23, 1998, after the criminal investigation had become public, the president made false statements to his cabinet and used his cabinet as unwitting surrogates to publicly support the president's false story.

Fifth. The evidence suggests that the president, acting in a premeditated and calculated fashion, deceived the American people on Jan. 26 and on other occasions when he denied a relationship with Ms. Lewinsky.

Sixth. The evidence suggests that the president, after the criminal investigation became public, made false statements to his aides and concocted false alibis that these government employees repeated to the grand jury.

Seventh. The president refused six invitations to testify before the grand jury ... [which is] inconsistent with the general statutory duty imposed on all executive branch employees to cooperate with criminal investigations.

Eighth. The president and his administration asserted three different governmental privileges to conceal relevant information from the grand jury. The privilege assertions were legally baseless. They delayed and impeded the investigation.

Ninth. The president made false statements under oath to the grand jury on Aug. 17, 1998.

Tenth. The evidence suggests that the president deceived the American people in his speech on Aug. 17 by stating that his testimony had been legally accurate.

The president used government resources and prerogatives to pursue his relationship. The evidence suggests that the president used his secretary, Betty Currie, a government employee, to facilitate and conceal the relationship with Ms. Lewinsky.

The president used White House aides and the United States ambassador to the United Nations in his effort to find Ms. Lewinsky a job at a time when it was foreseeable, even likely, that she would be a witness in the Jones case. And the president used a government attorney, Bruce Lindsey, to assist his personal legal defense during the Jones case.

In short, the evidence suggests that the president repeatedly used the machinery of government and the powers of his high office to conceal his relationship, to conceal the relationship from the American people, from the judicial process in the Jones case, and from the grand jury.

Relationship Not on Trial

I want to emphasize that our referral never suggests that the relationship between the president and Ms. Lewinsky in and of itself could be a high crime or misdemeanor. The referral is instead about obstruction of justice, lying under oath, tampering with witnesses, and the misuse of power.

Paula Jones, a former Arkansas state employee, filed a federal sexual harassment suit against President Clinton in 1994. The president denied those allegations. The president attempted to delay the trial, or more broadly the proceedings, until his presidency had concluded. The president claimed a temporary presidential immunity from civil suit. The Supreme Court rejected the president's constitutional claim of immunity — and did so by a nine to zero vote.

The idea was simple and powerful: No one is above the law. The Supreme Court has emphatically and repeatedly rejected the notion that there is ever a privilege to lie.

The key point about the president's conduct is this. On at least six different occasions, from Dec. 17, 1997, through Aug. 17, 1998, the president had to make a decision. He could choose truth, or he could choose deception. On all six occasions, the president chose deception, a pattern of calculated behavior over a span of months.

On Dec. 5, 1997, Ms. Jones's attorneys identified Ms. Lewinsky as a potential witness. Within a day, the president learned that Ms. Lewinsky's name was on the witness list. After learning this, the president faced his first critical decision. Would he and Monica Lewinsky tell the truth about their relationship? Or would they provide false information, not just to a spouse or to loved ones, but under oath in a court of law?

Eleven months ago, the president made his decision. At approximately 2 A.M. on Dec. 17, 1997, he called Ms. Lewinsky at her Watergate apartment and told her that she was on the witness list.

The president did not explicitly instruct Ms. Lewinsky to lie. He did not have to. Starting with this conversation, the president and Ms. Lewinsky understood, according to Ms. Lewinsky, that they were both going to make false statements under oath.

An Effort to Thwart Justice

At that moment, the president's intimate relationship with a subordinate employee was transformed — it was transformed into an unlawful effort to thwart the judicial process. This was no longer an issue of private conduct.

Major decisions during the Lewinsky investigation have not been easy. And given the hurricane-force political winds swirling about us, we were well aware that, no matter what decision we made, criticism would come from somewhere. Some then suggested that the report we submitted to Congress was too thorough. I want to be clear that the public disclosure or nondisclosure of the referral and the backup materials was a decision our office did not make, and lawfully could not make. We respectfully but firmly reject the notion that our office was trying to inflame the public.

We are professionals, and we were trying to get the relevant facts, the full story, to the House of Representatives. That was our task. And that is what we did.

Mr. Chairman, members, I revere the law. I am proud of what we have accomplished. We were assigned a difficult job. We have done it to the best of our abilities. We have tried to be both fair and thorough. I thank the chairman. I thank the committee, and the American people for their attention.

PANEL: *Starr's Case Against the President*

Continued from Page 1

foundly unfair, to the president."

Mr. Starr summarized the allegations that have emerged in his inquiry into the Lewinsky scandal this way:

"The evidence," he said, "suggests that the president repeatedly used the machinery of government and the powers of his high office to conceal his relationship, to conceal the relationship from the American people, from the judicial process in the Jones case and from the grand jury."

Mr. Starr outlined evidence that has become familiar in the months since Ms. Lewinsky's name came to public attention in Jan. 21 newspaper articles. The allegations center on Mr. Clinton's attempts to conceal his involvement with her during the Paula Jones sexual harassment lawsuit and the criminal investigation headed by Mr. Starr.

Mr. Starr dismissed the argument, made by Mr. Clinton's lawyers and supporters that an investigation of lies about private sexual conduct should never have been questioned by a public prosecutor. Obstruction of the courts and judicial system, he said, was "not a private matter."

"No one is entitled to lie under oath simply because he or she does not like the questions or because he believes the case is frivolous or that it is financially motivated or politically motivated," he said.

The hearing was held in the same dark-paneled room in the Rayburn Office Building where a 1974 Judiciary Committee weighed the impeachment of President Richard Nixon, who ultimately resigned from office. The only other presidential impeachment hearings in history were against President Andrew Johnson, who was impeached — or charged by the House — but narrowly escaped conviction by the Senate more than a century ago.

The minority Democrats on the committee ceaselessly criticized Mr. Starr and his motives. Mr. Conyers suggested that Mr. Starr had ethical conflicts, including the fact that he worked for a law firm that represented tobacco industry clients, which oppose Mr. Clinton's efforts to reduce smoking among young people.

"While an independent counsel can and should pursue a case with vigor," Mr. Conyers said, "I and many others believe that Mr. Starr has crossed the line into obsession."

Mr. Starr appeared tense during Mr. Conyer's comments, but did not address them directly.

Another Democratic member, Rep. Barney Frank of Massachusetts, sharply criticized Mr. Starr for waiting until after the Nov. 3 election to announce that he had been unable to link Mr. Clinton to any criminal wrongdoing in the Filegate or Travelgate allegations.

"You tell us that months ago, you concluded that the president wasn't involved in the FBI files," including files on some Republicans, which were improperly found in the White House, or in the travel office firings, Mr. Frank said. "Yet now is the first time you're saying that."

Mr. Starr responded that the "FBI files and travel office matter were not relevant" to efforts to demonstrate impeachable offenses.

He also defended the actions of FBI agents and prosecutors from his team when they detained Ms. Lewinsky for 10 hours on Jan. 16 at a hotel in Virginia, discouraged her from calling a lawyer, and threatened her with a lengthy prison sentence if she did not cooperate.

"We did in fact use a traditional technique," he said, but he denied mistreating her or holding her against her will.

Asked why he did not inform the Justice Department, when he first sought authorization to extend his investigation to include the Lewinsky matter, that he had had talks with Paula Jones's lawyers, Mr. Starr said it "did not occur" to him that those contacts could be seen as a conflict of interest. Mrs. Jones's attorneys knew about the Lewinsky relationship when they questioned Mr. Clinton under oath on Jan. 17, and some Democrats have accused Mr. Starr of "setting up" the president.

The independent counsel remained calm through the often-aggressive questioning about his report, but at one time stiffly declared, "I stand behind each word of it."

Democrats bickered with Mr. Hyde at every opportunity. They insisted that the allegations against the president were not impeachable and said that Mr. Clinton's lawyers were not being given a fair hearing. Mr. Hyde responded, "The Chair doesn't intend to bind and gag anybody — anybody."

"If the goal is justice," said Representative William Delahunt, Democrat of Massachusetts, "this cannot be a satisfactory response."

Mr. Hyde answered that "the president has a standing invitation to come before this committee for any amount of time and present us with his version of the facts" and to question any further witnesses.

Democrats on the committee sought to pass a motion to ensure that the president's counsel would have as much time as they wanted. The majority Republican unanimously opposed it.

When Mr. Hyde told one Democratic member, Representative Melvin Watt of North Carolina, that he was disrupting the proceedings, Mr. Watt replied testily, "We're disrupting a railroad."

The House Judiciary Committee has never agreed on what it considers impeachable conduct. The constitution refers to "treason, bribery and other high crimes and misdemeanors."

Mr. Starr, who has been bitterly attacked by Clinton surrogates like James Carville, told the committee almost plaintively: "I'm not a man of politics, of public relations or of polls, which I suppose is patently obvious by now."

The drama of the proceedings made it easy to forget the widespread sense that, after Republicans' setbacks in Nov. 3 elections, Mr. Clinton faces almost no risk of being both impeached by the House and convicted by the Senate.

If the committee votes for articles of impeachment, a simple majority of the full House would have to do so too. Republicans have an 11-seat majority in the next House, but some Republican members have expressed doubts about voting to impeach.

Sixty-seven senators would then have to vote to convict the president, which would require all 55 Republicans and 12 defecting Democrats to join that vote.

Larry Downing/Reuters

Representative Barney Frank, center, talking with a fellow Democrat, Senator-elect Charles Schumer, right, and Abbe Lowell, minority counsel, left, during the House Judiciary Committee's inquiry Thursday.

Tim Shaw/Agence France-Presse

Representative Henry Hyde, right, chairman of the House Judiciary Committee, conferring with aides Thursday at the impeachment hearings.

POLITICAL NOTES

The Bush Dynasty Passes Out Advice

NEW ORLEANS — In their debut appearance as heirs to the latest American political dynasty, Governor George W. Bush of Texas and his younger brother, Jeb Bush, the governor-elect of Florida, stepped forward as models for what they described as a new "compassionate conservatism."

As Republicans lament and point fingers over their party's discouraging performance in midterm elections, the sons of former President George Bush are savoring their electoral victories. "A conservative philosophy can extend its message across demographic lines," said the Texas governor, who won impressive support from Hispanics. "A conservative philosophy is one that can attract Hispanics if properly positioned," he said at a joint news conference with his brother at the Republican Governors Association's convention. "And the Republican Party needs to do just that."

Jeb Bush said, "It's the style of governance, George's case and, the style of campaigning in my case, that might be a good lesson." *(NYT)*

Republicans Losing Their Cash Machine

NEW YORK — With the House speaker, Newt Gingrich, stepping down from Congress, the Republican Party is losing its top fundraiser, a man who, by party accounts, raised more than $60 million for office-seekers this year and masterminded a strategy that helped Republicans take over Congress in 1994 and retain control ever since.

No one in the party leadership is ready to step into this role, and there are no obvious candidates in the wings as the party prepares for the 2000 presidential election. "You are losing someone who has probably raised, over the last four years, conservatively, a quarter of a billion dollars for the party," said Ralph Reed, a Republican strategist based in Atlanta, "and those things are hard to replace." *(NYT)*

PROBE: *Whitewater Revisited*

Continued from Page 1

anty Savings & Loan, a Little Rock entity run by the Clintons' business partners, James McDougal and his then-wife, Susan, collapsed. Hillary Rodham Clinton performed legal work in the 1980s for Madison, which Mr. Starr called a "metaphor" for the savings and loan crisis.

"Madison Guaranty was a disaster," he said. "It gambled with investments, cooked the books and ultimately bilked the taxpayers of the United States."

Mr. Starr's inquiry focused on whether Madison money had been used illegally to help business and political figures in Arkansas. Indeed, one loan of $300,000 went to what the independent counsel called Susan McDougal's "make-believe" company, Master Marketing, and $50,000 of that benefited Whitewater.

Mr. Starr also says that Mr. Clinton encouraged Mrs. McDougal to stonewall. The prosecutor refers to a September 1996 interview Mr. Clinton gave to PBS, in which he said, "There's a lot of evidence to support" various charges that Mrs. McDougal had made against Mr. Starr's office. But Mr. Clinton cited no evidence.

"Essentially," Mr. Starr says, "the president of the United States, the chief executive, sided with a convicted felon against the United States, as represented by United States District Judge Susan Webber Wright, the United States Court of Appeals for the 8th Circuit and the Office of the Independent Counsel."

An offshoot of the original Whitewater inquiry centered on the work done for Madison in 1985 and 1986 by the Rose Law Firm, where Mrs. Clinton was a partner. Billing records related to her work at the firm were subpoenaed, but for two years could not be found. They had apparently disappeared in the White House residence. Two years later the records mysteriously turned up.

"After a thorough investigation, we have found no explanation how the billing records got where they were or why they were not discovered and produced earlier," Mr. Starr says in his testimony. "It remains a mystery."

Mr. Starr says that Webster Hubbell, a partner at the Rose Law Firm, and later a top official at the Justice Department, might have additional information.

Just as Mr. Hubbell became the focus of Mr. Starr's inquiry, after he had resigned his government position, he received payments totaling $550,000 from several companies and individuals. Many were campaign donors.

"Most of this $550,000 was given to Mr. Hubbell for little or no work," Mr. Starr says in his statement. "This rush of generosity obviously gives rise to an inference that the money was essentially a gift. And if it was a gift, why was it a gift?"

Mr. Starr indicted Mr. Hubbell last week on 15 counts of false statements and other charges.

Patrick Clancy, Eldest of Singing Brothers, Dies

By Jon Pareles
New York Times Service

Patrick Clancy, 76, who helped start a folk revival as a founding member of the Clancy Brothers and Tommy Makem, died of cancer on Nov. 11 in Carrick-on-Suir, County Tipperary, Ireland.

As the eldest of the Clancy Brothers, Mr. Clancy toured the world singing Irish songs, often with thousands of audience members singing along. Although the Clancy Brothers got started as Irish expatriates in New York, where they were part of the Greenwich Village folk revival of the 1950s and '60s, the group's rowdy, good-humored performances created an enduring image of Irish tradition and spurred a rediscovery of folk styles back home in Ireland. Mr. Clancy also started a folk-music label, Tradition, that documented Appalachian music, blues, Celtic and ethnic music.

Mr. Clancy was born in Carrick, in rural Tipperary, where he and his brothers soaked up traditional music. During World War II, he went to England to join the Royal Air Force and worked as an airplane mechanic in England and India. After the war, he and his brother, Tom, who had sung pop music in Ireland, came to the United States. They worked at a brewery in Newark, New Jersey, before moving to New York.

In postwar bohemian Greenwich Village, they acted in and produced off-Broadway plays, including Sean O'Casey's "Plough and Stars" at the Cherry Lane Theater.

In the early 1950s, Patrick Clancy assembled Irish music for Folkways Records and the early Elektra label. He started the Tradition label in 1956. His brother Liam arrived in the United States that year, collecting Appalachian songs and also settling in New York. The three brothers began singing Irish songs at parties and quickly developing a local following. They were joined by another Irish expatriate, Tommy Makem, and started recording for Tradition in 1959.

A 1961 appearance on "The Ed Sullivan Show" brought them a national following in the United States.

AMERICAN TOPICS

Hats for Cowboys With Deep Saddlebags

The cowboy hat, now an internationally recognized symbol of America's Old West, started out as a joke.

The Philadelphia hatter John Stetson had gone West on a hunting trip. He showed his companions that he could make cloth out of fur without weaving. For a laugh, he shaped the resulting felt into a hat with a colossal brim. Its practicality in protecting a man from the hot Western sun was immediately clear, and Stetson sold the hat to a horseman. That, reports the Los Angeles Times, was in 1865.

These days Ritch Rand, who recounts that history in "The Cowboy Hat Book," is one of the great custom makers of cowboy hats. At his shop in Billings, Montana, he and six hatters work against a 12-week backlog to supply cowboys, cowgirls, actors, guides, adventurers and city slickers with fur felt hats of extraordinary quality: hats that — thanks to an old French machine called the *conformateur* — fit every bump or curve of the head; hats shaped with hot, century-old irons; hats of fine beaver fur that take a full day to make.

American cowhands traditionally invested their money in things they could use and carry with them — boots, saddles, buckles. They are still willing to spend a week's pay or more for a good hat. For a Rand hat, that means about $300. For an extra $40, a hat will be "distressed," to look as if it has spent months on a hot, dusty trail — a look more popular in urban California than among Montanans.

There is an old cowboy put-down about someone being all hat and no cattle. But the right hat, at least, is a start.

Short Takes

In years gone by, one-room schoolhouses were common in small-town America, serving as civic institutions that educated children and bound together residents. On Bois Blanc Island, Michigan, the Pines School, with its bell tower and red clapboard siding, is a beloved part of life on an island in northern Lake Huron that is known for isolation and long winters. Now locals are struggling to keep it going. The problem, The New York Times explains, stems from change in the way Michigan schools are financed. Rather than basing funding on property taxes, which caused serious inequalities between school systems, the state increased sales taxes and began compensating schools depending on the number of students. The Pines School has four. Locals are now wrangling with the state for some sort of rescue. "Without a school," said William Westcott, the township supervisor, "we stand no opportunity to attract young people."

Brian Knowlton

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SPONSORED PAGE

DESTINATION GREECE
DOORWAY TO GASTRONOMY

The production of organic fruits and vegetables — the staples of the Mediterranean diet — in many parts of Greece attracts tourists and encourages exports of these fresh and delicious products. Specially organized tours allow visitors to discover how to prepare wonderful Greek dishes in a beautiful, authentic setting.

"DESTINATION GREECE: DOORWAY TO GASTRONOMY"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITER: John Rigos in Athens.
PROGRAM DIRECTOR: Bill Mahder.

NATIONAL CUISINE IS HEALTHY AND DELICIOUS

Organically produced olive oil, honey, fruit and vegetables form the basis of Greek cuisine — and of a healthy diet.

With the realization that their cooking is not only delicious, but also offers all the recognized health benefits of the Mediterranean diet, Greeks are starting to think of their national cuisine as an added attraction for foreign tourists.

"Tourism is one of our main industries, since our country is known for its natural beauty and exceptional climate. But we must also profit from the healthy Greek diet by teaching foreign visitors the benefits of fresh, tasty produce," says Yannis Tzen, president and chairman of the Hellenic Foreign Trade Board.

Mr. Tzen also believes that in the same way food promotes tourism, tourism can promote exports of Greek organic produce.

Featuring vegetable oils, such as olive and sunflower, a wide variety of seafood, fresh vegetables and fruit, the Greek diet has long been recognized as a natural way to prevent early heart attacks.

During a visit to Greece in the 1950s, President Eisenhower's personal physician, the cardiologist Dr. White, said, "Cretan olive oil is the best protection against heart attacks."

Today, heart specialists continue to recognize the benefits of the Mediterranean diet, while oncologists claim vegetables, olive oil and grains prevent the development of colon cancer.

George Diamantopoulos, director of one of the clinics of Athens' Evangelismos state hospitals, says grains, olive oil, vegetables and fish have been the main staples of Greek cooking since time immemorial, adding, "New generations have to stick to them if they want to remain healthy and strong."

Dr. Diamantopoulos even has a small patch of vegetables in his home garden and cures his own olives, which grow on a few olive trees surrounding his suburban property.

And he is not the only one. Today, many residents gather olives from the trees planted along the sidewalks of most Athenian suburbs.

Krina Jaharescu, a recent Romanian resident of Athens, has already cured her olives for this year. She proudly offers them to visitors as hors d'oeuvres with the traditional anise-flavored *ouzo* liqueur.

"You slash them on the side, put them into water for about two weeks to lose their bitterness and then for three days in a salt solution, and they are ready to eat," she says. "If you want them to be preserved for a long time, you leave them in a salt solution, vinegar or even pure olive oil."

Beth Arnold, a long-time American resident of Greece, adds fennel and oregano to the solution of vinegar, lemon slices and olive oil in which she preserves her olives for the entire year.

"I also like to make some *thrumbes*, wrinkled olives which are mixed with coarse sea salt and dried in the sun. They turn out looking like large currants and have a bittersweet taste," she adds.

Nikos Papaioannou, a retired general who cultivates an organic fruit and vegetable garden, cures his olives by slashing them and putting them in large, empty Coca-Cola bottles covered with olive oil. Ripe olives are ready to eat in two months, while green ones require five months. "But they are the best," he says. He also makes his own olive oil by bringing a portion of the olives he collects from his 50 trees to the oil press.

Organically grown

Mr. Tzen believes that the production of organic fruits and vegetables practiced in many parts of Greece is an added attraction for the tourist, and also has export potential.

"Our country has unlimited possibilities for the cultivation of natural organic products distinguished for their superiority, enjoyable taste and innate beauty. These products form the main staples of the Mediterranean diet, and thus meet the standards of healthy nutrition which this diet entails," he says.

Mr. Tzen points out that Greece is just beginning to "harmonize with ecological realities and to promote organic products."

The main ingredients of the Mediterranean diet, besides olive oil, are honey, olives and a wide variety of fruit and vegetables, now also organically produced in Greece.

"I do not think that this information is known to the degree that it should be in world markets, and this is where tourism and trade can join forces in furthering our country's economic interests," he adds.

Michalis Kyriakidis, general secretary of tourism, says that this is possible since both 1997 and 1998 were good years for Greek tourism and 1999 will be even better according to projections.

"The 2004 Olympics will be a significant event for our country and for Greek tourism," he says.

"The Games are a unique opportunity for our sector, but they also call for the mobilization of every one of our professionals in order to meet the challenge presented by this great event."

The Greek Culinary Academy, the Greek Tourism Board and the Hellenic Foreign Trade Board, as well as other agencies, have launched a pilot project on the island of Crete aimed at promoting Cretan cuisine and Greek organic foods.

According to Mr. Tzen, Crete was chosen because it attracts a large number of tourists and has the longest tourist season of the entire country, thanks to its mild climate. In addition, it produces large quantities of organic vegetables. The project allows foreign tourists to take classes on Cretan cuisine using organic produce.

The role of organically grown products in healthy nutrition will also be promoted through publications, seminars in hotels, and the marketing of organic produce in ports, airports and railway stations. Gastronomic programs can be promoted through the cooperation of tour operators and with contests on the use and value of such produce in hotels.

The same agencies will organize tours of olive oil production in Crete to give tourists the opportunity to visit oil presses and see how pure Cretan olive oil is actually extracted. Selected taverns will offer samples of Cretan dishes made with olive oil.

Similar programs will be applied in other areas of mainland Greece and on other islands. Both tourism and trade will benefit, thanks to the tourists who will become pioneers in the promotion and spread of organic products in their respective countries.

Mr. Tzen also believes that his agency, together with the Greek Tourism Board, can both promote the use of organic produce and also give foreign visitors an opportunity to discover Greece's wide range of economic and trade possibilities.

"This can be done through the development of professional/recreational tourism. In other words, make it possible for a tourist to combine his or her vacation in Greece with the chance to meet financial and trade personalities who could show the individual samples of such products, then even carry out negotiations should a tourist be professionally qualified for such activities," he says.

"Such packages could be offered to foreign businesspeople who can thus combine business with pleasure, since a trip to Greece can offer both," he adds.

"In Greece, we believe that our country has all the necessary qualifications in order to combine tourism and trade for the benefit not only of the national economy, but also of society in general — a society with a vision of healthier nutrition for all and of attaining spiritual balance." ●

EUROPE

Russia Leans Toward Ratification of START-2 Agreement

By David Hoffman
Washington Post Service

MOSCOW — After years of delay, Russia's lower house of Parliament has begun making serious headway toward ratification of the START-2 strategic arms accord, lawmakers and experts say.

The shift has followed delivery to Parliament of a secret government report warning that Russia's nuclear shield will shrink dramatically and unavoidably in the years ahead as a result of weapons' obsolescence and national economic decline.

[A prominent member of the State Duma said Thursday that Parliament might open debate next month on ratification of the treaty, Reuters reported from Moscow. The official, Vladimir Lukin, chairman of the foreign affairs committee and a former ambassador to Washington, said he felt a "measured optimism" that a ratification bill he had helped draw up would win backing from the Communist-led chamber.]

The treaty, signed in January 1993 by Presidents George Bush and Boris Yeltsin, and ratified by the U.S. Senate in January 1996, has attracted sharp opposition in the lower house, the State Duma, from nationalists and Communists, who dominate the chamber. The accord has languished there for almost six years, despite Mr. Yeltsin's repeated promises to push it forward.

But lawmakers said that there had been a change in the political outlook for the treaty that could bring it to a vote as soon as next month. The shift is based on an increasing realization that Russia's economic troubles have seriously undermined its ability to maintain a large strategic nuclear force. Backers say the treaty will limit the size of the U.S. nuclear force, which has become a compelling argument for ratification as the scope of the Russian decline grows apparent.

Alexei Podberiozkin, an influential Communist Party member and deputy chairman of the International Affairs Committee, has decided to back the treaty. "I had been very strongly opposed to this treaty for many years, but the situation has changed — not in favor of Russia," he said. Mr. Podberiozkin added that "until recently, I thought there was no chance for ratification." He said, "Now, if we work hard, I suppose we can ratify it in December."

Like many other officials here, Mr. Podberiozkin said he wants ratification to lead "as quickly as possible" to negotiations for a follow-on START-3 accord, with still lower levels of strategic weapons, which Mr. Yeltsin and President Bill Clinton have pledged.

START-2 would set limits of 3,500 to 3,000 warheads for each side, down from 6,000 under START-1. The tentative goals for START-3, set earlier by Mr. Clinton and Mr. Yeltsin, are between 2,500 and 2,000 warheads for each side.

The reality of Russia's dwindling strategic forces, however, is that it cannot support even that many and that its heavy, multiple-warhead, land-based missiles are reaching the end of their service life.

START-2 outlaws land-based, multiple-warhead missiles, and Russia has started replacing them with new, single-warhead missiles, but the new Topol-M rocket recently failed a test flight, and it is not clear how many Russia can build, given its economic problems.

The projected decline in Russian strategic arms capability was documented in a secret report recently sent to the Duma by First Deputy Prime Minister Yuri Maslyukov, a former top Soviet-era military-industrial planner who has pushed for ratification of START-2.

According to two sources, Mr. Maslyukov estimated in his report that, because of obsolescence and other factors, Russia may be able to field only 800 to 900 nuclear warheads seven years from now.

Ankara Rebuffs Rome On Meeting Over Kurd

Compiled by Our Staff From Dispatches

ANKARA — Prime Minister Mesut Yilmaz rejected an Italian offer Thursday of a meeting to defuse an angry dispute over Turkey's demand that Rome hand over a Kurdish guerrilla leader.

Mr. Yilmaz's comments, made as he entered Parliament to face a censure vote that could bring the end of his government, showed growing Turkish fury that Ankara may not be able to secure the extradition from Italy of its most wanted man.

The state-run Anatolian News Agency quoted Mr. Yilmaz as saying Prime Minister Massimo D'Alema of Italy had suggested meeting before a soccer match between Turkish and Italian teams Wednesday in Istanbul.

"I said, 'If he wants to talk, let him come to Ankara,'" the agency quoted Mr. Yilmaz as saying.

Turkey is pressuring Rome to hand over Abdullah Ocalan, the head of the Kurdish Workers Party, who was detained as he entered Italy last week. Mr. Ocalan has applied for asylum.

Protests have erupted in Ankara and Istanbul, and the Turkish press has accused Italy, a NATO ally, of treating Mr. Ocalan as an honored guest.

Tour companies have canceled trips to Italy in protest, imports of Italian shoes and jewelry have been stopped, and salesmen at an Istanbul market crushed Italian fruit.

But Mr. D'Alema said Italy would not bow to "economic blackmail."

Italian law forbids extraditing anyone to a country where they could face execution, as is the case with Mr. Ocalan. According to the ANSA news agency, Mr. D'Alema told his cabinet Thursday that Italy would stand by the law.

Mr. Ocalan flew to Italy from Moscow. His lawyers have asked that he be placed under house arrest pending a decision on extradition or asylum; a hearing on their petition is scheduled for Friday.

Mr. D'Alema has asked the European Union to back his efforts to maintain friendly relations with Turkey while respecting Italian law. But EU countries cannot agree on whether the Kurdish Workers Party is a terrorist organization. Officials in Austria, which holds the revolving EU presidency, said there had been no move to get involved in the crisis. Many Western European countries have migrant Kurdish and Turkish communities.

German officials were tight-lipped on whether Bonn would seek Mr. Ocalan's extradition for alleged crimes in Germany by his party.

The United States is pushing Italy to extradite Mr. Ocalan, whom it considers a terrorist. *(Reuters, AP)*

Vincent Kessler/Reuters

TASTE OF WINTER IN ALSACE — A resident of Lampertheim, near Strasbourg, clearing snow from the sidewalk in front of his house Thursday after the first snowfall of the season blanketed northeastern France.

BRIEFLY

Lithuania Seeks An EU Timetable

STOCKHOLM — Lithuania would like to see a firm timetable for EU accession talks despite lingering issues such as the closing of the Soviet-made Ignalina nuclear power plant, Foreign Minister Algirdas Saudargas said Thursday.

Speaking at a Baltic conference here, Mr. Saudargas said it was important for the European Union to allay fears that its commitment to expansion had not slowed.

The issue of the Ignalina plant has dominated most discussions concerning Lithuania's potential membership. The plant has two reactors similar to the one that caused the 1986 Chernobyl disaster. The EU wants Lithuania to set a timetable for closing the plant ahead of membership talks. *(Reuters)*

France and Spain Set New Agenda

PARIS — France and Spain begin their annual meeting in the western French port of La Rochelle on Friday, and for once the focus of the summit will be on peace, rather than violence, in the Basque country.

The meeting, which is usually largely devoted to how to fight the separatist group ETA, is the first since the separatist guerrillas declared a cease-fire two months ago in their 30-year-old campaign. ETA, a Basque acronym, stands for Basque Homeland and Freedom.

The Spanish authorities have so far refused to negotiate with the guerrillas unless they provide evidence that they have given up the armed struggle forever. *(Reuters)*

For the Record

British customs officials have launched a pre-Christmas crackdown on alcohol and tobacco smugglers bringing goods into Britain across the English Channel. Operation Mistletoe has involved raids on shops, pubs and clubs suspected of involvement in smuggling. *(AFP)*

ASIA/PACIFIC

Burglars Loot Safe of Lawyer Aiding Anwar

The Associated Press

KUALA LUMPUR — Burglars ransacked the law office of one of Anwar Ibrahim's defense attorneys, breaking open a safe containing documents related to the former deputy prime minister's court case, the attorney reported Thursday.

Pawancheek Marican, one of Mr. Anwar's nine attorneys, said he had not yet sorted through the papers strewn across his office to see what had been taken.

"They were looking for something in particular," Mr. Pawancheek said. "I have to make a police report. Then I'll check and see what's missing."

Mr. Anwar, once considered the successor to Prime Minister Mahathir bin Mohamad, was dismissed Sept. 2. He is now on trial for sodomy and abuse of power, charges he denies and calls politically motivated.

The Malaysian government recessed Mr. Anwar's trial so it would not upstage the Asia-Pacific Economic Cooperation meeting of 21 Pacific Rim leaders, which ended Wednesday.

Mr. Pawancheek said his office was broken into after 11 P.M. Wednesday, when a staff member triple-locked the office door and padlocked a metal shutter gate outside.

Lim Huey Teng/AP

The safe containing Anwar trial documents lies open after the burglary.

When Mr. Pawancheek arrived Thursday morning, he discovered his concrete-reinforced steel safe open on its back. The safe's thick door hung in a tangle of metal from a single hinge.

"If they know how to break that, they won't come with fingerprints," Mr. Pawancheek said.

Mr. Anwar's trial, which is likely to run into next year, resumes Monday.

BRIEFLY

India Establishes Security Council

NEW DELHI — The Hindu nationalist government set up a national security council Thursday at which politicians would work with military generals to plan India's defense policy.

Prime Minister Atal Bihari Vajpayee, who will head the council, appointed Brajesh Mishra, his chief aide, as national security adviser, United News of India reported.

The council will include cabinet members and the chief of the Planning Commission, the news agency reported. The chiefs of the army, air force and navy and civilian officials will be part of the council's strategic policy group.

The Hindu nationalist Bharatiya Janata Party promised to establish the council after it came to power in March. *(AP)*

Students March Against Suharto

JAKARTA — Up to 3,000 angry students were blocked from marching on former President Suharto's home Thursday as his successor warned that further civil unrest could threaten national unity.

Demonstrators faced off with about 500 soldiers holding riot shields and batons outside the U.S. ambassador's residence a few blocks away from Mr. Suharto's house. The former leader has remained a virtual recluse since his 32-year rule came to an end after riots in May.

Earlier, President B.J. Habibie said civil unrest could escalate if student protesters prevented his government from carrying out promised political reforms. *(AP)*

Foreign Journalists Warned by China

BEIJING — China on Thursday warned foreign journalists not to break the country's laws, one day after a reporter for Der Spiegel, Juergen Kremb, was ordered to leave amid allegations that he possessed classified documents.

But a Foreign Ministry spokesman refused to detail what kind of information was secret.

"The Chinese government guarantees the legitimate rights and interests of foreign correspondents and news organizations," the Foreign Ministry spokesman, Tang Guoqiang, said at a regular news briefing. "At the same time, foreign correspondents in Beijing and foreign news organizations must observe the laws of China." *(Reuters)*

Britain Defends Pursuit Of Ex-Spy Freed in Paris

Compiled by Our Staff From Dispatches

LONDON — The Labour government, stunned by a Paris court's decision to release a renegade former British spy, on Thursday defended its attempts to prosecute him and denied they were politically motivated.

As the former spy, David Shayler, celebrated his freedom in France, Downing Street said officials hoped to be able to appeal the Paris court's refusal to extradite him to Britain on charges of breaking government secrecy laws.

But some news organizations said that the French decision exposed problems with Britain's Official Secrets Act and that it was hypocritical of Labour ministers who had opposed secrecy laws when they were in opposition to be trying to enforce them now.

One of these ministers, Home Secretary Jack Straw, denied that Britain's pursuit of Mr. Shayler, who worked for the domestic counterintelligence service MI5, was a political action.

"This prosecution was in no way politically motivated, Mr. Straw said. "But we wait to see the judgment. We then await to see what decisions the French prosecutor, in whose hands the question of appeal lies, whether they make an appeal or not."

Mr. Straw brushed off a question on whether Mr. Shayler would be jailed immediately if he returned to Britain. "That is not a matter for me," he told BBC radio. "It is a matter for the prosecution authorities, who are independent of the home secretary."

Many in Britain found the case reminiscent of that of Peter Wright, whose 1987 book "Spycatcher" about the MI5 was banned in Britain but was published in Australia despite strenuous British efforts to stop it.

"Just as in the case of Peter Wright, the spy who wrote about secret service plots to bug Harold Wilson, it has taken a foreign court to expose Britain's unhealthy obsession with secrecy," The Independent said in an editorial Thursday.

"Tony Blair and Jack Straw have relied on a secrecy law whose introduction they once opposed because it didn't allow a public interest defense," the newspaper said. "How curious that they changed their stance once in government."

Mr. Shayler, 32, moved to France after the British government began investigating him for divulging information about MI5 in a series of news interviews beginning last year.

Among other things, Mr. Shayler accused Britain of supporting a botched plot to kill the Libyan leader, Moammar Gadhafi, in February 1996 with a car bomb. He said Muslim extremists placed the device under the wrong car, killing bystanders.

Mr. Shayler also alleged that three Irish Republican Army bombings on the British mainland could have been prevented if his former bosses had been less bureaucratic.

He also claimed that MI5 held files on more than 500,000 British subjects, including at least two ministers in the present government.

The British authorities, after attempting to lure Mr. Shayler back to London with promises of immunity from prosecution, took action against him after he threatened to publish further allegations on the Internet.

He was arrested at the request of Britain on Aug. 1 and held in a Paris prison pending extradition proceedings.

After his release Wednesday, Mr. Shayler said: "It's a great day for justice and a sad and embarrassing one for the British government and MI5. I'm glad to be out of prison but I shouldn't have had to spend four months in jail for criticizing MI5." *(Reuters, AP)*

Beaujolais Nouveau Time

Reuters

PARIS — Corks were pulled from bottles of Beaujolais Nouveau in 192 countries on Thursday, giving wine lovers their first taste of the 1998 vintage.

The young French wine, harvested two months ago, went on sale time zone by time zone in the first seconds of the traditional third Thursday of November.

"The wine this year is quite good, and there is plenty of it to go around," said Aurore Baconnais at a wine shop in Paris.

About 54 million bottles of the heavily hyped young wine were to be put on sale this year, with half staying in France, 40 percent going to the rest of Europe and 10 percent to the rest of the world.

U.S. Refuses to Buy North Korea Access

By Don Kirk
International Herald Tribune

SEOUL — A U.S. special envoy, Charles Kartman, said Thursday that he had flatly rejected a North Korean demand for a reported $300 million for access to an underground facility in which the North is suspected of developing nuclear weapons.

Mr. Kartman, after two days of unsuccessful talks in the North Korean capital, Pyongyang, assured South Korean officials of a tough U.S. stance toward the North. President Bill Clinton is due to arrive Friday night from Tokyo for a meeting on Saturday with President Kim Dae Jung of South Korea.

The issue of close cooperation in dealing with North Korea was expected to dominate the meeting amid mounting concern about how to persuade the North to open the underground site for inspection.

Mr. Kartman was to remain here until the weekend to brief South Korean officials and Clinton administration aides on his talks earlier this week.

His briefings for South Korean officials were intended to allay their fears that the United States may be reluctant to compel the North to comply with the framework agreed upon in Geneva in 1994 for halting its nuclear weapons program. Mr. Kartman said he had warned the North Koreans that refusal to open up the site for inspection might jeopardize the program under which the North was to stop work on nuclear weapons in return for two nuclear reactors.

South Korea has agreed to pay 70 percent of the $4.6 billion cost of the reactors and the United States is shipping heavy oil to North Korea to fill its energy needs until they are completed.

The special envoy refused to say how much the North Koreans had asked for inspection of the site, which was first spotted by satellite photography last summer.

But Yonhap, South Korea's semi-official press agency, said the asking price was $300 million.

Clinton administration officials in Washington confirmed that the North had asked for hundreds of millions of dollars.

"We have rejected the question of compensation so the question of the amount is sort of irrelevant," Mr. Kartman said. He explained that the North had demanded money as "compensation for the insult" of Washington's suggestion that it was violating the Geneva agreement.

He said the site was in Kumchangri, about 40 kilometers (25 miles) northwest of North Korea's nuclear facilities at Yongbyon, which is 145 kilometers north of Pyongyang.

"We asked the North Korean side to remove our suspicions about Kumchangri," Mr. Kartman said. "My presentation contained a very clear element about the danger the failure to resolve those suspicions could pose to the viability" of the Geneva agreement.

He said that it was "imperative these suspicions be resolved" but admitted that there was a wide gap between their positions. "We are still not satisfied," he said.

U.S. officials said that their inspectors had verified that the North was making a show of complying with the agreement at Yongbyon while failing to offer any proof that it had not transferred activities to Kumchangri.

Officials in Washington said, however, that the North did not appear to have begun pouring cement for a new reprocessing plant in Kumchangri that could convert nuclear waste to bomb-grade plutonium.

The State Department spokesman, James Rubin, said that any attempt by North Korea to revive its nuclear weapons program would violate "the entire letter and spirit of the objectives" of the Geneva agreement.

Azerbaijani Press Fasts in Protest

Compiled by Our Staff From Dispatches

BAKU, Azerbaijan — Editors and journalists from independent newspapers have begun a hunger strike to protest police beatings of journalists and libel suits against opposition media.

The editors say criminal cases that have been opened charging defamation of President Heydar Aliyev, as well as recent calls for tighter media controls by Parliament, constitute harassment and censorship. Parliament is dominated by supporters of Mr. Aliyev, whose brother, Dzhalal, has sued an opposition newspaper, Azadlyg, for reporting that he and other relatives of the president have bought expensive real estate in Britain.

"We were forced to take this action and go on a hunger strike because the authorities want to smother the independent press," said Rauf Arif, editor of the Yeni Musavat, organ of the opposition Musavat (Equality) party.

Mr. Aliyev bowed to international pressure and lifted official censorship only in August in advance of a presidential election.

The state prosecutor recently opened criminal cases under a statute prohibiting "defamation of the honor and dignity of the president." *(AP, Reuters)*

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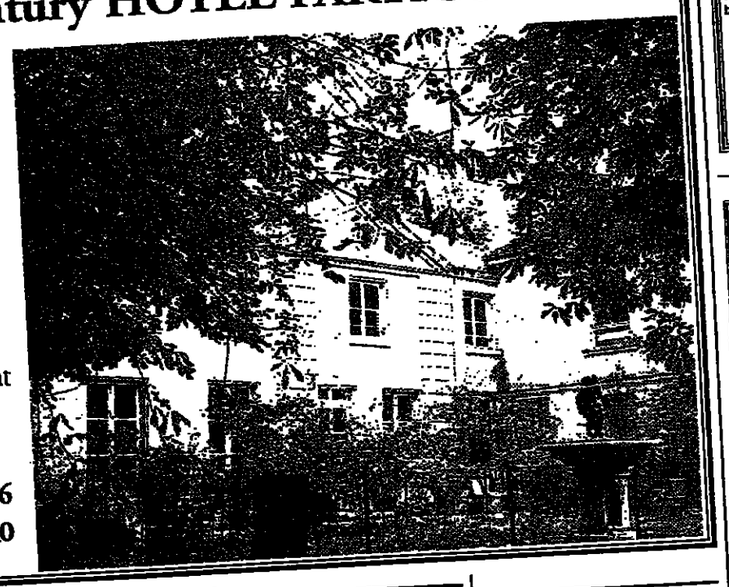

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Washington to Finance Mideast Security Pact

But Getting Congress to Pay Is Uncertain

By William A. Orme Jr.
New York Times Service

JERUSALEM — President Bill Clinton is promising Israel and the Palestinian Authority that the United States will pick up much of the bill for their new land-for-security plan. But buying peace will not be cheap, or easy.

The change in House Republican leadership means that congressional scrutiny could be more acute than originally anticipated.

Israel's new aid request raises potential diplomatic problems because the United States runs the risk of subsidizing roads to Jewish settlements in the West Bank. And greatly increasing aid to the Palestinians poses financial and political difficulties. U.S. officials say.

As the Clinton administration weighs the Israeli and Palestinian requests, it is striving to ensure that the entire aid package strengthens rather than further complicates its role as a mediator.

Prime Minister Benjamin Netanyahu is expected to seek up to $1 billion for pulling Israeli forces out of the West Bank, over and above the $2.9 billion in military and economic aid already earmarked for Israel this fiscal year. The new request comes just as Congress has reduced assistance to Israel for the first time in decades, cutting its yearly economic support to $1.08 billion, from $1.2 billion, the beginning of what was announced as a 10-year phase-out of nonmilitary aid.

Yasser Arafat, the Palestinian leader, says he believes he has a green light to solicit as much as $300 million in new U.S. assistance — a big jump in U.S. aid to Palestinian-controlled Gaza and the West Bank, which has been kept at $75 million annually for the past five years.

Until recently, congressional approval did not seem much at issue.

The House speaker, Newt Gingrich, and the minority leader, Richard Gephardt, had signaled readiness to provide substantial new assistance. But the Appropriations Committee chairman, Representative Robert Livingston, now assured of becoming Mr. Gingrich's successor, was one of the few congressional leaders who has publicly questioned economic aid to Israel. Congressional critics of Mr. Arafat, meanwhile, are likely to try to continue to block direct bilateral-style aid.

The Clinton administration has not disclosed the full scope of its new appropriation request, which represents the fulfillment of a pledge by the president to help underwrite the costs of the interim peace accord negotiated last month in Wye, Maryland.

"The administration is considering the details of a package, which will address Israeli security requirements relating to Wye and Palestinian economic needs," Jim Foley, a State Department spokesman, said last Friday.

While the expected U.S. aid package will spotlight the large and widening gap between aid to Israel and aid to the Palestinians, Palestinian economic officials hope it will institutionalize U.S. economic support.

After the Oslo agreement in 1993, the United States announced a five-year, $500 million economic-aid package for the West Bank and the Gaza Strip: $375 million in grants from the Agency for International Development and $125 million in loan guarantees for new local U.S. business ventures from the Overseas Private Investment Corp.

■ **U.S. Seeks Donors for Accord**

The United States said Thursday that it would hold an international conference on Nov. 30 to seek new financial assistance to support the new Israeli-Palestinian peace agreement, Reuters reported from Washington.

The State Department spokesman, James Rubin, said President Clinton had invited some 50 nations and multilateral organizations to attend the donors' conference, which will be held in Washington. He said the United States planned to "increase U.S. assistance to the Palestinians significantly over the next five years." He gave no amount.

Palestinian policemen marching Thursday in a parade in Jenin to celebrate approval of the Israeli withdrawal.

ISRAEL: *West Bank Transfer to Palestinians Gets Final Approval*

Continued from Page 1

ister Benjamin Netanyahu's tenuous control over his government.

The ministers voted 7 to 5 to start the land transfer, with three abstentions, including Natan Sharansky, the trade minister who helped negotiate the American-brokered agreement, and two absences.

In authorizing the transfer, the cabinet accepted generally that the Palestinians had lived up to their security commitments to date, among them the broadcast of decrees outlawing incitement and ordering the surrender of illegal weapons to the authorities.

Also, an executive committee of the Palestine Liberation Organization has reaffirmed the annulment of clauses in the Palestinian covenant calling for Israel's destruction.

But some ministers complained that there was insufficient proof of the Palestinian assertion that more than a dozen fugitives wanted by the Israelis had been arrested.

The cabinet also approved the opening of the airport in Gaza, which is expected by Sunday, when Royal Air Maroc is scheduled to make the inaugural landing.

And it authorized the release of 250 Palestinian prisoners from Israeli jails.

But there have been complicated negotiations with the Palestinians over the individual prisoners to be released. When Israel said it would free only those "without blood on their hands," including 150 common criminals in the first group, the Palestinians protested.

"Do you think Yasser Arafat went to Wye Plantation to free car thieves?" asked Ahmed Tibi, a senior aide to Mr. Arafat, the Palestinian leader.

The Palestinians have refused the list, but the Israelis plan to drop off the released prisoners at army bases in the next 48 hours anyway. They are to be picked up by the Palestinian authorities, said Hisham Abdul Raza, the minister of prisoner affairs.

This is the first phase of a 12-week withdrawal plan, which will leave 40 percent of the West Bank under Palestinian control.

■ **Celebratory Parade in Jenin**

Thousands of Palestinians paraded in Jenin on Thursday to celebrate the Israeli cabinet's decision, Reuters reported.

About 5,000 people, many of them youngsters, joined the parade, which was led by uniformed Palestinian security forces with rifles at their shoulders.

Palestinians said they hoped the pullback would presage an independent Palestinian state throughout the West Bank and Gaza, which Israel captured in the 1967 Middle East War.

BRIEFLY

Sikh Editor Killed In British Columbia

VANCOUVER, British Columbia — A Sikh newspaper publisher who was critical of Sikh hardliners was shot and killed here in his home, the police said Thursday.

Tara Singh Hayer, 64, publisher of the Indo-Canadian Times, was killed Wednesday evening.

The publisher's son, Sukhdev Hayer, said he believed that the killing was an attempt to intimidate voters in coming elections for leadership at a Sikh temple in the area. The area's Sikh community has been plagued by violence between moderates and fundamentalists over an edict from the religion's ruling body in India to remove tables and chairs from temple dining halls, which fundamentalists consider inappropriate there. *(AP)*

India Says Yeltsin Still Plans to Visit

NEW DELHI — The Foreign Ministry of India said Thursday that President Boris Yeltsin of Russia still wanted to visit the country despite canceling a December trip.

The Kremlin announced Wednesday that Mr. Yeltsin had asked Prime Minister Yevgeni Primakov to make the December trip in his place, fueling speculation over Mr. Yeltsin's health. *(Reuters)*

Congo to Skip Talks

KINSHASA Democratic Republic of the Congo — The government of President Laurent Kabila will not attend talks in Botswana on Friday that are aimed at bringing peace to this war-torn country, the government said Thursday.

The meeting will gather officials of the United Nations and African diplomats. A delegation from the rebels who are fighting to topple Mr. Kabila will attend. *(Reuters)*

Mother Lode of Dinosaur Eggs and Embryos Thrills Researchers

By John Schwartz
Washington Post Service

WASHINGTON — Researchers have announced the discovery of the richest dinosaur nesting ground ever uncovered — a site in Argentina's Patagonian badlands so crammed with eggs and egg fragments that paleontologists found themselves literally walking on eggshells.

Dozens of the dinosaur eggs contained the first-ever confirmed embryos of sauropods, the large, lumbering plant-eaters whose ranks included what most people know as the brontosaurus. Even more astounding, some of the specimens showed the fossilized casts of embryonic dinosaur skin, the sort of soft tissue that almost never survives the tests of geologic time.

"This piece, to me, has been the most exciting fossil find in my entire life," said Luis Chiappe, a paleontologist at the American Museum of Natural History in New York who co-led the expedition that discovered the site. He gently cradled a fragment of the brown, porous shell with the nubbly texture of a fragment of skin clearly displayed on the inside.

The fossil skin shows tiny, lizard-like scales, with a band of larger scales down the center, an arrangement that probably indicates that the larger scales ran down the middle of the animal's back.

Within five minutes of getting out of the car, everyone was kneeling down and looking at the fossilized eggs with great disbelief, he said.

Dinosaur eggs have been found in many locations around the world, and a few of those eggs have contained the fossilized remains of dinosaur embryos — including a spectacular find in Mongolia announced in 1993 by the American Museum of Natural History. Those embryos, however, were theropods — the dinosaur grouping that included meat-eaters such as the tyrannosaurus rex and the velociraptor. This is the first confirmed discovery of sauropod embryos, and it confirms the sauropod origins of similar spherical eggs found in Africa, India, China, Europe and South America.

Lowell Dingus, a geologist, described the feeling of being in such a place as "Christmas."

The embryos are not complete tiny dinosaurs, but are scrambled and lie flattened at the bottom of the shell. Researchers are piecing the bits together to determine what kind of sauropod they were.

Rodolfo Coria, a paleontologist with Museo Municipal Carmen Funes in Argentina, has compared the characteristics of the bones to those of other sauropods and believes that they are probably dinosaurs now known as titanosaurs. Though titanosaurs were among the largest animals ever to walk the Earth, the Patagonian titanosaurs of the time were comparatively puny, growing to about 15 meters (45 feet) long and weighing several tons.

The hatchlings, however, emerged from their eggs at a mere 38 centimeters (15 inches) in length. One embryo was discovered with 32 tiny teeth, each barely two millimeters long. One of the pencil-shaped choppers already showed signs of tooth-grinding wear common to titanosaurs, strengthening the hypothesis about their species and further indicating that the creatures were born hungry.

The nesting site is near an area called Auca Mahuia and went undiscovered even by villagers who herded goats nearby. The researchers named the site Auca Mahuevo, a play on *huevo*, the Spanish word for egg.

While nests found elsewhere generally contain several eggs, the Auca Mahuevo features nests teeming with eggs. Researchers cut one collection out of the rock containing at least 20 of the round eggs, each with a diameter of about 15 centimeters. They could have gotten more by cutting a larger chunk of stone, but said they were afraid the whole nest would be too difficult to transport.

Titanosaurs such as *Saltasaurus loricatus* had hard, bony protective plates, but paleontologists working with the embryos could find no evidence of bone in their skin samples. They said this could mean that the bone develops later, as it does for some of today's Nile crocodiles.

The site contains fossils that date 70 million to 90 million years, from the period known as the late Cretaceous. Today it offers sweeping vistas of low, scrubby, orange-brown sandstone ridges. But back at the time when it was part of the land mass know as Gondwana, the nesting ground was a lush floodplain crisscrossed with streams.

The eggs were found in extremely finely-grained sandstone, leading the researchers to believe that the streams flooded with just enough force to gently cover the eggs with silt, but not enough to destroy them.

"This has the potential to become a very, very important place for the study of dinosaur embryology," Mr. Chiappe said.

The dozens of eggs already collected will soon be joined by others after an expedition in March. The government of Argentina has declared the site to be public land and has begun building a ranger station to protect the treasure from poachers.

SMOKE: *Epidemic Predicted*

Continued from Page 1

stand how dangerous smoking is," said Yang Guanghua, an associate professor at the Chinese Academy of Preventive Medicine and author of one of the papers. "Over 50 percent of Chinese people think smoking does little or no harm, and over 60 percent don't know it can lead to lung cancer."

Added Mr. Chen: "Policymakers act on evidence, and until now there's been no evidence from China."

In the last two years, the Chinese government has organized anti-smoking campaigns and smoke-free days, banning cigarette advertising and imposing smoking bans in public places. But it is the beginning of a long uphill battle.

Selling cigarettes is a lucrative business in China, which produces more tobacco than any other country on earth and where the government owns an estimated 90 percent of tobacco companies.

Cigarette companies are still the sponsors of many sports events catering to young people, from the Marlboro Soccer League to the 555 motor-cross races.

LAFONTAINE: *Vow to Enforce Rigor*

Continued from Page 1

start of the 1990s by Jacques Delors, then the European Commission president.

But he also emphasized that the investments must be made "without questioning the existing Stability Pact."

Leading European industrialists have been harshly critical of Mr. Lafontaine's recent statements about reflating the German economy, and many economists have warned that the ascendancy of leftist governments across Europe might mean that public spending could soon replace fiscal responsibility.

Yet on Thursday, when asked if he agreed with proposals by Prime Minister Massimo D'Alema, European Commissioner Mario Monti and some of his own aides that new public spending on infrastructure could be excluded from calculations of budget deficits under the Maastricht treaty, Mr. Lafontaine demurred. He merely said, "We don't have such problems in Germany."

Mr. Lafontaine, who issued a joint call with Mr. Ciampi for a coordinated European "policy mix" of fiscal, monetary and income policies that would lift growth and fight unemployment, was also keen to stress that he was not suggesting a collective setting of wage levels across Europe.

"We cannot have a single European income level," Mr. Lafontaine said. "That would be absurd and that might create the fear that we want a harmonized level of income in Europe. Income must be tied to productivity levels in national, regional and local workplace terms."

In another sign that Germany's government was adapting a more pragmatic stance, Chancellor Gerhard Schroeder on Thursday announced plans to repeal rules that have traditionally exempted low-paid employment from welfare contributions.

Mr. Lafontaine's theme, in his meetings Thursday with Mr. Ciampi and Mr. Brown, was that Europe needed to combat unemployment by way of "a policy mix of coordinated fiscal, monetary and incomes policy." This concept, along with Mr. Lafontaine's view that consumer demand needs to be stimulated by tax cuts for low-paid workers, forms the German message that will be delivered on Sunday at a meeting of finance ministers from the 11 nations adopting the euro.

The meeting, ahead of the gathering next Monday of all 15 European Union ministers, is expected to release a policy paper entitled "The New European Way — Economic Reform in the Framework of EMU."

Meanwhile, in Germany on Thursday, the IFO economics institute released its monthly business-climate index showing that confidence had fallen in October more than had been expected.

Mr. Lafontaine brushed off the report, along with sharp criticism on Wednesday of the Schroeder government's economic policies by the government's panel of independent economic advisers. "The expectations regarding economic growth in Germany reflect the international environment," he said.

Mr. Lafontaine then noted that "God gave us two eyes" and said he meant that Bonn would make economic policy on the basis of "both supply and demand." Explaining further, he said that "since 1980 we have had a constant, unchanged level of real incomes, and maybe we should come to the conclusion that despite fully used capacities we have a problem on the demand side."

Asked whether he planned to press ahead with his proposal for Group of Seven nations to try and manage currency rates by way of "target zones" despite opposition from Washington and Paris, Mr. Lafontaine insisted that "the idea comes from the United States, and was one of the recommendations of a recent commission on Bretton Woods that included Paul Volcker."

He said Germany's goal was "to guarantee stability" in foreign-exchange markets "and therefore to look at some kind of target zones as the basis of international cooperation."

Stanley Fischer, the International Monetary Fund's first deputy managing director, on Thursday rejected Mr. Lafontaine's proposal. In an interview published in the Handelsblatt newspaper, Mr. Fischer warned it could "lead to destabilizing speculation, if the exchange-rate bands are too narrow."

Although Mr. Lafontaine and Mr. Ciampi both backed full tax harmonization in the European Union, a spokesman for Mr. Brown said London agreed on the need to battle unemployment but did not see tax harmonization as a priority.

Mr. Ciampi arriving for a news conference in Rome on Thursday.

CLINTON: *In TV Talk, Japanese Get to Know the President Better*

Continued from Page 1

forward manner, and I believe they did, yes. That's really a question you could ask them better than me."

The moderator, Tetsuya Chikushi, stepped in quickly. "Thanks you very much. Let's change the topic now," he said.

Mr. Clinton's purpose was to continue to nudge Japan to take steps to revive its stagnated economy, at the same time providing reassurances that Japan had not lost its special relationship with the United States. For years, the Japanese basked in the oft-quoted refrain that the U.S.-Japanese ties had grown into the world's most important bilateral relationship. But Japan these days is acutely sensitive to signs that its status is slipping while Washington turns its attention to China, the rapidly emerging Asian giant.

The format Thursday night, which the White House sought out, seemed uniquely suited to Mr. Clinton's goal of soothing the anxieties of the Japanese people. Having mastered the town hall format while campaigning for the presidency, he has over the last year employed it overseas, first in Argentina in 1997 and, most notably, last summer with students in China.

On the economy, the most sensitive issue of his visit to Japan, Mr. Clinton struck a softer tone than has been heard from Washington since the Asian economic crisis struck more than a year ago. Instead of blasting Japan for inaction, as a series of administration officials have been doing for more than a year, he offered what he referred to as "the advice of a friend."

"The United States views Japan as our friend, our ally for the future," he said. "We regret that you have the present economic challenges you have but we don't think you should be too pessimistic about the future.

"I would urge you to support your government in aggressively dealing with the financial institutions, aggressively moving to support greater consumption, aggressively moving for structural changes that will create more jobs.

"A strong Japan is good for you, but essential to the rest of Asia emerging from its present difficulties. Don't be discouraged, but do be determined. That would be the advice of a friend."

Although the government of Prime Minister Keizo Obuchi has been widely maligned by American officials since Mr. Obuchi took office in July, Mr. Clinton urged patience.

"Do not judge too harshly, too quickly," he said. "I think the big things that have been done here are essentially moving in the right direction."

Mr. Clinton offered reassuring words on China, saying that stable relations between China and the United States were good for Japan. He urged Japan to try to improve relations with China as well.

"It's now been quite a long time since the last world war," he said. "I think whatever remaining misunderstandings there are should be resolved."

Mr. Clinton also addressed the question of U.S. troops on Okinawa, where residents have been angered by years of accidents, crime and other bad behavior among American servicemen.

"I am very respectful of the challenges that our presence has caused to the government and people of Okinawa," Mr. Clinton said. "I hope we can continue to ease the burden on the people of Okinawa, but stay for as long as Japan and the United States agree that it is wise for us to stay."

Mrs. Kato said nothing she had heard from Mr. Clinton would lessen her ingerdling of its economy. She said that she had found his answers on Okinawa and the economy a little disingenuous, and that Mr. Clinton did not seem sensitive enough to the plight of Japanese family farmers.

Mrs. Kato said she had little sympathy for Mr. Clinton's sex-scandal problems. "If that was my husband, I would kill him," she said.

But she also said she could not help liking Mr. Clinton, which may be the best he can hope for in the next two days.

JAPAN: *Governing Party Cuts Coalition Deal With Its Archenemy*

Continued from Page 1

attempt to form an opposition party fell apart in December. But he has maneuvered his way back into the spotlight and into power.

"Ozawa is a player once again," said John Neuffer, a senior analyst at Mitsui Marine Research Center. "The downside is that if you look at other parties that have gotten close to the LDP in recent years, they've not ended up in the best shape."

Naoto Kan, leader of the Democratic Party, the largest opposition party, declared the alliance a mortal blow to the Liberal Party. "This shows the defeat of the Liberal Party," he said.

But the Liberals had little to lose. Widely expected to lose several seats in the next election, the fractious party will now gain at least one cabinet seat after the upcoming extraordinary session of Parliament closes in December, and the governing party has agreed to adopt many Liberal policies — although not the party's proposal to suspend the unpopular national sales tax.

What the Liberal Democrats gain from the coalition, other than the promise of Liberal Party support in the extraordinary session of Parliament scheduled to begin Nov. 27, is less obvious.

The party has been forced to rule by coalition since Mr. Ozawa defected in 1993. While the alliance adds only 12 more votes in the Upper House, it provides 35 more votes in the Lower House, where the Liberal Democrats already have a majority with 262 seats.

Beyond additional troops, the coalition will help rein in the right wing of the Liberal Democrats. Led by Seiroku Kajiyama and Shizuka Kamei, the rightists have created a sort of outspoken internal opposition within the party.

The two have been pushing an alliance with Mr. Ozawa and another opposition party, Komei, which is backed by a large lay Buddhist sect.

"If we are unsuccessful in organizing a coalition with the Liberal Party and Komei before the extraordinary session, the Obuchi administration will hit a wall," Mr. Kamei predicted last month.

The Liberal Democrats have agreed to issue 700 billion yen ($5.8 billion) worth of shopping coupons to win the cooperation of Komei, which has 24 seats in the Upper House. The opposition party's younger members refuse to approve a full-fledged alliance with the Liberal Democrats, but the coupon plan is expected to help win their support in Parliament if not at the electoral level.

But at the same time the coalition embraces the Kajiyama-Kamei forces, it pushes away other influential party members led by Koichi Kato, the former secretary-general of the party; Taku Yamasaki, former chairman of the party's Policy Research Council, and Junichiro Koizumi, the former minister for health and welfare who ran against Mr. Obuchi and Mr. Kajiyama for the prime minister's post this summer.

Indeed, Hiromu Nonaka, the powerful chief cabinet secretary who was the chief driver behind the coalition, acknowledged the difficulty of trying to hold the two wings together when he suggested Thursday night that he might resign before the alliance is formalized.

Mr. Kato has been a close ally of Mr. Nonaka, but he questioned whether the party rank-and-file would support the deal. "They should have done it through partywide discussions," he said.

Leisure

TOMORROW: HOME & GARDEN

From Kumquats to Katmandu

A Small Chinese Town Carves an Oasis for the Tourist Trade

By Katherine Tanko

YANGSHUO, China — A huge poster of Mao hangs on the kitchen doorway. In the brave new world in 1990s China, the Great Helmsman has been born again as an icon of good fortune. "He is a king, dragon-god. Hanging his picture on doorways brings good luck," one local said. "I don't believe it myself, but my grandmother insists it's true."

Things have changed in Yangshuo. This small country town once known for its pomelos, kumquats and not much else has created its own special niche in the nation's burgeoning tourist trade. Cashing in on a steady flow of tourists from nearby Guilin, locals have transformed this once impoverished rural outpost into a latter-day Katmandu, offering visitors the chance to experience a side of China often hidden to visitors.

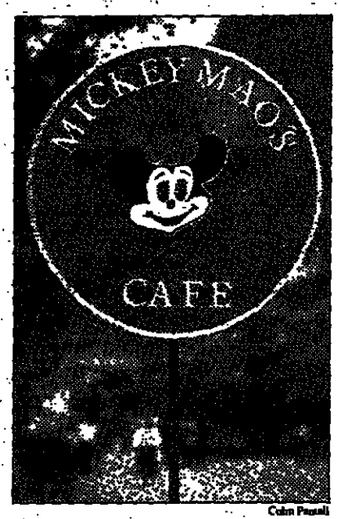
For a first-hand glimpse of country life, I joined up with Li Yun Zhao, one of a dozen local farmers who offer tailor-made tours into the countryside, including lunch in their own homes. These popular tours give visitors a chance to experience village life at close quarters and sample authentic rural cuisine. A bicycle, some basic English and a notebook to record the glowing comments of satisfied customers are all that's needed to launch a lucrative career as a rural tour guide.

Li first began giving tours in 1992. "I needed to make money," she said as we set out from Yangshuo on foot. "My house was very old and I wanted to send my three children to school. A few women were already doing tours and I thought, hey, I can do that!" We cut down a dirt path and were soon lost in the undulating karst rock landscape the Guangxi region is famous for.

Mossy limestone peaks towered above a patchwork of fish farms, citrus groves and paddies laced with meandering, jade-green streams. A group of women, knee-deep in paddy mud, teased Li as we passed, scolding her for strolling around when there was work to be done. I was invited to roll up my trousers and get down in the mud to try my hand at transplanting the tender rice seedlings.

Li spoke with candor about life for the contemporary peasant in this part of the world. Collective farming ended in 1981 when every family was allotted a portion of land. "Before, if you were lazy or worked hard, you got the same. So no one bothered working hard and there were bad harvests. Now if people work hard they can do well."

We passed through a small village where the sound of voices reciting lessons echoed from a schoolroom. On a grassy verge sat a lone toddler clutching a rice bowl while mother worked in the fields nearby. "No mother-in-law," Li said sadly, asking how women in the West managed without the live-in help most Chinese women take for granted.



Colin Pasnall

Mickey Mao's serves good, cheap Chinese and international food.

Her relationship with her own mother-in-law had a rocky start, marked by conflict that sometimes led to violence. "But that's all in the past," she said. "We get along very well now."

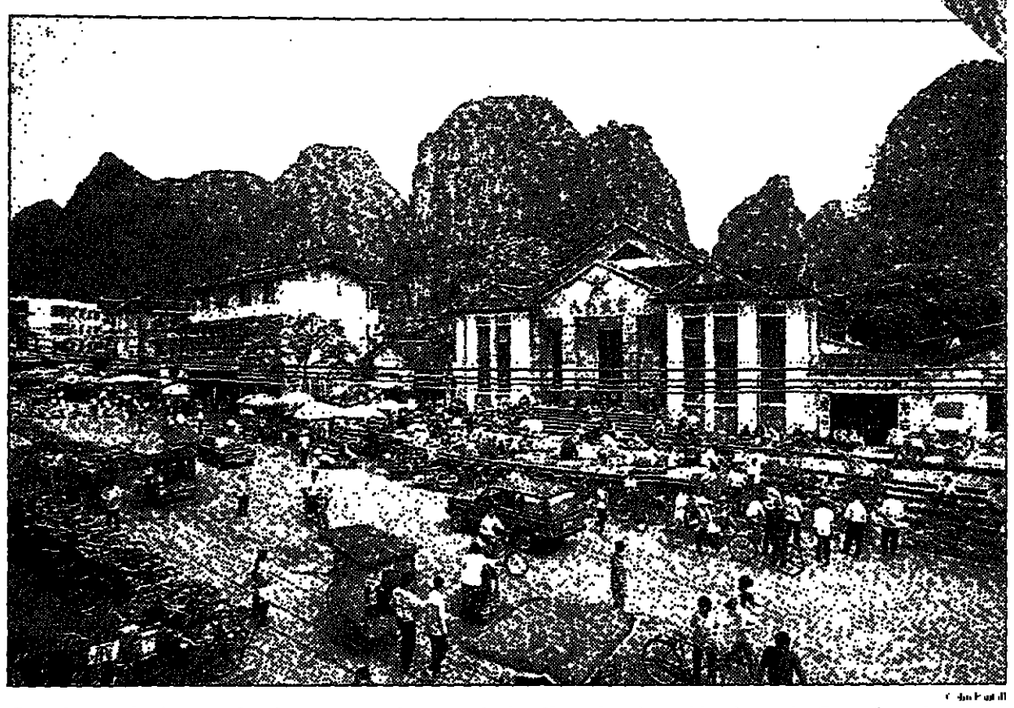
It's no wonder. Li is the family cash cow, sometimes earning in a week what other farmers earn in a year. Thanks to her success, the 300-year-old family home has been replaced by a two-story house complete with satellite dish. In the front room, a large television blared a Qing Dynasty-era soap opera while Li served a lunch of fried lotus flower, spicy chili salad and soup.

An Ideal Base

"That was a very bad time," she said gravely as the image of threadbare peasants fighting to catch handfuls of grain filled the screen. Above the television sat a shrine invoking the ancestors to bless the family with good luck, surrounded by the school certificates of her three children — a triumph for a woman who managed only three years of school before being relegated to the kitchen.

Although Yangshuo originally served as little more than a stopping off point for river cruises from Guilin, the town now boasts enough amenities to serve as an ideal base for exploring Guangxi's many attractions. Travel agents in town can arrange tours, tickets and excursions to Dong villages and the famous rice terraces of Longsheng. But there is also plenty to do right here. There are bicycles for hire and the aquatically minded can rent inner tubes and kayaks for a day on the river.

One-day boat tours are one of the most popular excursions. The five-hour ride to the village of Yangdi weaves through some of the prettiest sections of the Li River. Craggy peaks with names like White Tiger Hill and Pen Holder Peak hug the river's edge. Fishermen on rafts made of tightly lashed bamboo skim across the water like gondoliers, ignored by the water buffalo that graze by the shore. On misty days the landscape takes on a haunting quality, hinting at the legends bound up in these ancient peaks.



Colin Pasnall

Once known for its pomelos, kumquats and not much else, Yangshuo is cashing in on the flow of tourists.

Follow the river south for an hour to Fuli, a small village of muddy footpaths and crumbling stone houses. The main attraction is the biweekly market, which draws thousands from the countryside. Here you can see the machinations of China's free-market ethic in full flight. Everything from toads to rat poison — and of course more conventional produce — is flogged in an enormous market square the size of an aircraft hangar. There were giant tubs of catfish and eel, sacks stuffed with tobacco and men barbecuing pork troters with a blow torch.

After an hour wandering the market maze, I climbed on the bicycle I had brought by boat and cycled back to Yangshuo along quiet country roads.

Long gone are the days when the only accommodation in Yangshuo were state-run flophouses with hot water restricted to a few hours in the evening. The Yangshuo Paradise Resort offers international-standard rooms starting at $100, but you can save up to 50 percent by booking through an agent.

It's also worth checking out the private guest houses, many of which compete for the growing upper-end market and boast "luxury" and family rooms with private bath for a fraction of the price. Cafés with fetching names like Mickey Mao's and The Red Star Express have English menus and serve good, cheap Chinese and international food.

Much of Yangshuo's appeal lies in its unique ability to reconcile such tourist kitsch with the town's down-home country charm. Beyond the souvenir stalls and tourist cafés, everyday Yangshuo lives on. Tractors heading for the fields putter noisily down cobbled streets; men huddle outside shops playing mahjong while kids wielding badminton rackets leap and squeal in the streets. And because tourism has been a boon, visitors are welcome.

Autumn is the best time to visit — you avoid the heat of summer, when temperatures can reach 40 degrees centigrade. It's even possible to combine a stay in Guilin with a few nights in Yangshuo. Although Guilin is still better-known, more and more people are forgoing the hermetically sealed safety of its star-rated hotels to wallow in Yangshuo's country charms. The odd Mao poster here and there hasn't hurt either.

Katherine Tanko is a journalist who travels frequently in Asia.

Away From It All: Isle of Wight

By Susan Allen Toth

RYDE, England — In late fall, many British seaside resort towns have a haunting charm. In the damp chill of early dusk, a festive air lingers in the scattered lights of a few year-round restaurants, the muted clamor of games from an open arcade, the glimmer of Victorian lamps over a deserted boardwalk. Tourist-season signs — "Fudge and Salt Taffy," "Postcards, Souvenirs, Maps" — hang above closed shops.

Shuttered and secluded, these towns have a hushed feeling, as if they were waiting for something to happen. In the lull between mellow autumn and the battering of winter storms, they offer a brief sense of suspended time.

Last fall, when my husband and I were planning an early December trip to London, I decided that sense of suspension was just what we needed.

When I studied the map, I kept returning to the intriguing shape of the Isle of Wight, 23 miles (37 kilometers) wide and 13 miles long, off the southern coast. Brochures for the island, a summer holiday mecca, trumpeted regattas; Queen Victoria's country retreat, Osborne House, and tourist attractions like a fantasy park, steam railway, golf courses and zoo. Far from undiscovered, it was dotted with towns and villages.

When I read about the off-season Isle of Wight, however, it seemed a different kind of place — no regattas, Osborne House often closed, holiday villages shut down. My Outdoor Leisure Map outlined vast stretches of beach, coastal walks and inland footpaths, and my tourist handbook promised, with only a little hedging, a semi-Mediterranean climate. After a two-hour drive from Gatwick airport, London, and a half-hour ferry ride, we'd have all that sea waiting for us.

Preparing for Christmas

Ryde, a busy little resort town on the north coast a few minutes' drive from Fishbourne, where the car ferry arrives, was already getting ready for Christmas. When we found a small hotel open for a late lunch, we watched our waitress doing double duty as she hung lanterns and strings of colored lights around the cheerful room. Outside, just beyond an enclosed garden where a few roses and geraniums still bloomed, we could see the waves washing up on the sandy shore.

After settling into Little Orchard, a bed-and-breakfast outside the tiny village of St. Lawrence on the southeast coast, we made our plans. Walks, some exploration by car, and, unexpectedly, the theater — for we had seen a notice in the window of the nearby village hall. The Pepperpot Players, a local dramatic society, would present a thriller-comedy by Simon Brett in the hall the following night. Tickets, under $5, would include refreshments.

On Saturday morning, we awoke to bright sunshine, and we only needed light jackets for our planned four-mile walk, neatly mapped out in an Ordnance Survey guidebook. We began on a grassy cliff near Ventnor, a coastal town near our inn called the "Madeira of England" because of its terraced streets carved into the steep hillsides. We then descended to a cove, where sun-flecked ocean spray dashed almost to the doors of several shuttered cottages.

Climbing again, we detoured into the 22-acre (nine-hectare) Ventnor Botanic Garden, still blooming with fuchsia, roses and enormous bushes of rosemary. This sheltered oasis is designed as a Victorian subtropical garden, with sections devoted to Australia, southern Africa, New Zealand and the Mediterranean, among other regions, and a medicinal garden containing plants used in folk remedies.

The view from Ventnor, called the "Madeira of England" because of its terraced streets carved into the steep hillsides.

Continuing up, we entered Paradise Walk. This path, slippery with wet leaves and fresh-smelling compost, took us back into the shadow of overhanging trees. Thickly wooded with shrubs and ferns as well as trees, Paradise Walk felt like a quarter-mile slice of jungle. Above us was part of the Undercliff, one of the island's most remarkable geological features, a seven-mile natural terrace formed by a slippage of chalk and limestone. Eventually we emerged onto High Downs. Walking along the edge of Rew Down, a nature reserve, we could see past green pastures, sheep and housetops to the glinting sea far below. Winter seemed wonderfully far away.

After lunch — fresh crab at a pub where our windows looked out on surf a few yards away — we drove across the island, meandering on country lanes, to Carisbrooke Castle, with an imposing medieval gatehouse, massive stone ramparts and a deep moat. Charles I was briefly imprisoned in the castle, before his eventual beheading in 1649, but the fortress seemed almost cheerful in the balmy afternoon sun.

Our night at the theater was a highlight of the weekend, a village event packed with local people, who pulled out extra chairs for us. The small rectangular space made a surprisingly effective playhouse. At intermission, after we had our tea, a lady passed trays of cookies down each row, and another conducted a lively raffle (at about 16 cents a ticket) with prizes that included a bottle of wine and a box of Christmas sparklers. The play was charming, and its actors confident and well-rehearsed.

On Sunday morning, we circled half the Isle of Wight, driving south and then northwest along a stunning coastline toward the Needles and Alum Bay. Judging from the size of restaurants and gift shops, summer tourists flock to see the bay and its Needles, three dramatic white-chalk outcrops jutting from the water. The bay, named for the alum that was once extracted here, is famous for its strata of sandstone in white, black and soft shades of green, red, yellow and brown. The sands are sold in various souvenir forms. But on this gray, chilly day, the chairlift down to the beach wasn't working, only one gift shop was open and we walked by ourselves to the lighthouse that guards the bay for views of the spectacular cliffs.

In late morning, we still had time to stop at Tennyson Down, named for the poet, less than two miles from the Needles. In Farringford, his house at the foot of the down, Tennyson wrote some of his best-known poetry, including "Idylls of the King." On the down, which is marked by a monument where Tennyson used to take his daily exercise, we joined a handful of well-wrapped walkers and their dogs, who were braving a sharp wind with equanimity. But a very short, cold walk was enough to drive us back to the car in search of a classic English Sunday lunch: roast beef, Yorkshire pudding and sherry trifle at the Folly Inn, still another waterside pub, down a winding road next to a marina.

After lunch we wandered around the island, passing through several quiet towns and yet more country lanes among fields and pastures. As dusk began to fall, we paused at Shanklin, just up the eastern coast from our inn, for one last seaside walk. Except for one amusement pavilion, everything on the beachfront was closed. Only a few lampposts and the pavilion's blinking lights cast slanting gleams onto the wet sand. As we walked, the beach seemed to stretch for miles in the freshening dark.

Susan Allen Toth, whose most recent book is "England for All Seasons," wrote this for The New York Times.

MOVIE GUIDE

American History X

Directed by Tony Kaye. U.S.

Advertisements for the controversy magnet that is "American History X" seem to be selling Edward Norton's buff physique, savage scowl and swastika tattoo in equal measure. So they reflect the film's bold but reckless synthesis of visual enticement and rhetorical fever. Presented in the ersatz poetic idiom of videos and commercials, this is an inflated yet gut-slugging film that dares to address America's neo-Nazi culture with brutal candor. Its toughest images stick even when its lurid self-aggrandizing spins out of control. Having made his electrifying screen debut with an essentially dual role in "Primal Fear," Norton now plays a two-faceted character with even more fury. He appears as the ideologically double-jointed Derek Vinyard, who begins the film as a hate-mongering skinhead only to undergo a total personality transformation. Once Derek renounces his past ("Those guys, the gang, that life — I'm done with it!") the film can consider the lingering residue of bigotry. Not surprisingly (the executive producer, Steve Tisch, was also a producer of "Forrest Gump"), it repudiates the same violence it initially exploited in shocking, lovingly slow motion. Though its story elements are all too easily reduced to a simple outline, "American History X" has enough fiery acting and provocative bombast to make its impact felt. For one thing, its willingness to take on ugly political realities gives it a substantial raison d'être. For another, it has been directed with a mixture of handsome photo-realism and visceral punch. The filmmaker of record is Tony Kaye, but he has renounced this substantially re-edited version of his work. It's easier to acknowledge the heady mix of flash and conscience that Kaye has created, in a manner reminiscent of politically aware hyperstylists from Michael Cimino to Spike Lee, than to know whether suffocatingly melodramatic music, pensive water images and lingering, super-tight close-ups were necessarily the director's own ideas. As written by David McKenna, "American History X" centers on a racist killing that Derek commits with horrifying gusto. It's the kind of film that milks this violence furiously and also tries to heat up this episode by watching Derek in a sexual tryst just before the violence occurs. Though Fairuza Balk plays his nose-ringed racist sweetie here, the rest of the film brims with the tacitly homoerotic energy of its skinhead bullies. The vastly talented Norton plays him searingly well, but Derek is as thin a straw man as the story's other characters, who are conceived as essentially passive products of their small-minded environment. The film's pivotal figure is Derek's impressionable younger brother, Danny, who has a spongelike interest in everything Derek espouses. Danny, as played with wrenching vulnerability by Edward Furlong, is the film's most blatant reminder that actions have consequences, though this is something most viewers already know. *(Janet Maslin, NYT)*

Peter Sorel/New Line Cinema

Edward Furlong, left, and Edward Norton in "American History X."

L'Examen de minuit

Directed by Daniele Dubroux. France.

Daniele Dubroux, who made the witty Left Bank boudoir comedy "Le Journal du Seducteur," repairs to the provinces in "L'Examen de minuit" (literally "midnight exam"), with a burlesque cast of mad peasants and raving aristocrats. When Serena, played by Julie Depardieu, arrives in a town called Dieulefit in response to an ad to marry the lord of the manor, you wonder what indeed God has wrought. Skinny, knock-kneed, a waif with a crooked smile and a dress that looks hand-stitched out of sequins, polka dots and spit, Serena is hardly made of the stuff a blue blood would consider for breeding purposes. After a quick scene of disillusionment with the aristocrat, she meets Roland, a farmer (Serge Riabouk-ine), who is smitten to the point that he robs banks to finance their nuptials. But on the wedding night, Serena runs off with Antoine (Francois Cluzet), lord of another castle. Depressive Antoine is a writer who locks Serena in his tower, keeping her on hand for inspiration. Downstairs is his wife, Marianne (Dubroux), the woman behind the throne as it were, and the only serious character in the movie. It doesn't take Marianne long to figure what her husband is up to, and dig into Serena's past, determined to fix them both. Dubroux knows how to plot a film tight and make it look loose. Debutant Depardieu, wrapped in her unbuttoned button-down décolletés, teetering in spike heels, turns, on the stroke of midnight, into a bewitching fairy princess. *(Joan Dupont, IHT)*

Meet Joe Black

Directed by Martin Brest. U.S.

Death be not proud, death be right stupid. "Meet Joe Black," with Brad Pitt, is a near-death experience: Time seems to stop as we stiffen in our seats and the actors all whisper as if they're at a wake. Martin Brest, the director, obviously embraced that old saw — death is nature's way of telling us to slow down — in making this funereally paced fantasy about love, loss and peanut butter. Inspired by the 79-minute chestnut "Death Takes a Holiday," this overstuffed, if beautifully mounted, version now plods along for three monotonous hours. The two films share the same premise. Death, who assumes human form to spend some time among the living, unintentionally falls passionately in love. But this time it takes twice as long to tell, given the bloated script, Brest's self-indulgence and the cast's halting delivery. It's as if the actors had three hours to fill, but only two hours of script, so everybody had to talk . . . real . . . slow . . . leaving us plenty of time to ponder the set decoration (Is that Rothko genuine?) and the stars' imperfections. (Is that a pimple on Claire Forlani's nose? Is Brad Pitt wearing mascara?) The bladder-impaired will be relieved to learn there's enough time between lines for both a pit stop and a refill at the concession stand. Though the new picture is an improvement over the fusty original, its blithe spirit is not as effective as the 1934 film's ghostly, Gothic tone. Nor is Pitt as well cast as Fredric March, who played Death with Dracula-like flair. Pitt gives the almighty and powerful Lord of the Underworld the trusting, childlike demeanor of Forrest Gump and the blinding beauty of an archangel. Pitt is also comically awkward when he first takes over the body of a dashing young lawyer moments after he dies in a car accident. In this guise, he approaches William Parrish (Anthony Hopkins), a dying New York tycoon, with a brief stay of execution in exchange for showing him around. Parrish, the story's true focus, agrees to the arrangement, and from that moment, Joe Black is on him like lichen on a tombstone. He moves into his palatial estate, joins extended-family meals and invites himself to Parrish's board meetings. Parrish remains a gracious host, content to wrestle with his impending departure until Joe begins to fall for peanut butter and Parrish's favorite daughter (Forlani) begins to make hay with the Grim Reaper. Ostensibly, Death dropped in on the Parrish clan to learn what it is about life that makes people cling to it so. Certainly, he found answers within the family's opulent community. But wouldn't the lesson have been more meaningful if Joe had visited with a family struggling to make do, but who shares its peanut butter anyway? *(Rita Kempley, WP)*

ARTS GUIDE

BELGIUM

BRUGES
Memlingmuseum, tel: (50) 44-86-44, open daily. **Continuing/** To Dec. 6: "From Memling to Pourbus." Focuses on 15th- and 16th-century art in Bruges, with paintings by Hans Memling, Gerard David and Pieter Pourbus.

BRITAIN

LONDON
Royal Academy of Arts, tel: (171) 300-8000, open daily. To Dec. 20: "100 Masterpieces of Imperial Chinese Ceramics From the Au Bak Ling Collection." From a private collection in Hong Kong, a selection of wine cups, water vessels, incense burners, plates and dishes produced under the Song, Yuan, Ming and Qing dynasties.
www.royalacademy.org.uk
Tate Gallery, tel: (171) 887-8000, open daily. To Feb. 28: "In Celebration. The Art of the Country House." A range of works on loan from the great British historic houses: paintings, drawings, sculptures, manuscripts and other historic memorabilia.
www.tate.org.uk

CANADA

TORONTO
Art Gallery of Ontario, tel: (416) 977-0414, closed Mondays and Tuesdays. To Feb. 14: "Art in the Age of Van Gogh: Dutch Paintings From the Rijksmuseum." About 70 Dutch romantic sites, snowy landscapes and beach scenes created in the 19th century by Van Gogh, Mondrian and Mauve.
www.ago.net

CHINA

SHANGHAI
Shanghai Museum, tel: (21) 6372-3500, open daily. **Continuing/** To Jan. 31: "Zao Wou-Ki: Sixty Years of Painting." Born in Beijing in 1921, Zao Wou-Ki has been living in Paris since 1948 and his abstract oils reflect both European and Chinese traditions.

FRANCE

PARIS
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. **Continuing/** To Jan. 4: "Gustave Moreau, 1826-1898." Drawings, sketches, watercolors and paintings document the works of the French painter (1826-1898). To Jan. 11: "Lorenzo Lotto." A retrospective of 50 paintings by the Venetian Renaissance master (c. 1480-1556). To Jan 25: "Tresors du Musee National du Palais de Taipei — Memoire d'Empire." A discovery of Chinese art and civilization from the Neolithic period to the 20th century.
Toit de la Grande Arche, tel: 01-49-07-27-57, open daily. To Jan. 31: "L'Ame de la Russie Dans Ses Icones." On loan from the Kolomenskoye Museum in Moscow, a selection of 50 icons from the 16th and 17th centuries.

GERMANY

BREMEN
Kunsthalle, tel: (421) 32-90-80, closed Mondays. **Continuing/** To Jan. 10: "Lucas van Leyden." Engravings and woodcuts of biblical and secular subjects by the Dutch artist (1494-1533).
www.kunsthalle-bremen.de

MUNICH
Haus der Kunst, tel: (89) 21-127-157, open daily. To Jan 24: "Lyonel Feininger: Von Gelmeroda nach Manhattan." A voyage through the life and art of Feininger: Born in 1871 in New York, he spent 50 years in Germany and returned to the United States when the Nazis came to power and he was branded "degenerate."

HONG KONG

University Museum and Art Gallery, tel: 2859-2114, closed Sundays and holidays. **Continuing/** To Dec. 15: "In the Footsteps of Buddha: An Iconic Journey from India to China." Buddhist sculpture and painting that reflect the cross-cultural migration of ideas and objects in ancient Asia

ITALY

BOLOGNA
Galleria d'Arte Moderna, tel: (51) 50-28-59, closed Mondays. To Feb. 14: "Arte Italiana. Ultimi Quarant'Anni. Pittura Aniconica." One hundred pieces by major exponents of abstract art, from the 1950s to date, with works by Piero Manzoni, Giulio Turcato and Enrico Castellani.
www.galleriadartemoderna.bo.it/

VENICE
Palazzo Grassi, tel: (041) 522-9875, open daily, except Dec. 24, 25 and 31, and Jan.1 **Continuing/** To May 16: "I Maya." Six hundred items trace the development of the Maya civilization in Central America and Mexico.
www.palazzograssi.it

JAPAN

KITAKYUSHU
Kitakyushu Municipal Museum of Art, tel: (93) 882-7777, closed Mondays. To Nov. 29: "Masters of Surrealism." Works by such French and Belgian masters as Tanguy, Magritte and Delvaux.

NAGOYA
Matsuzakaya Art Museum. To Dec. 8: "Masterworks from the Carmen Thyssen-Bornemisza Collection." More than 90 paintings on loan from Madrid that cover European and American painting from the 18th century to the beginning of the 20th. The exhibition will travel to Sendai.

TOKYO
The National Museum of Western Art, tel: (3) 3828-5131, closed Mondays. **Continuing/** To Dec. 6: "Claude Lorrain and the Ideal Landscape." Sixty paintings, drawings and prints by the 17th-century French artist, and 90 works by artists of the "Ideal Landscape" lineage, including Turner.
www.nmwa.go.jp

NETHERLANDS

AMSTERDAM
De Nieuwe Kerk, tel: (20) 638-6909, open daily. To March 8: "The Splendor of Spain, 1598-1648: From Cervantes to Velasquez." Three hundred art treasures from Spanish museums illustrate art, culture and the influence of the Catholic church in Spain's Golden Century. Features paintings by El Greco, Velasquez and Zurbaran.

RUSSIA

MOSCOW
Pushkin Museum, tel: (95) 201-3256. To Jan. 15: "Rene Magritte." Thirty dream-like paintings by the Belgian Surrealist (1898-1967) drawn primarily from the holdings of The Menil Collection in Houston.

SINGAPORE

Singapore History Museum, tel: 332-3659, closed Mondays. **Continuing/** To December: "House of Jade: The Aw Boon Haw Collection." Jade carvings from the Qing Dynasty (1644-1911) and jasper, quartz and agate ornaments.

SOUTH KOREA

SEOUL
63 Building, tel: (2) 789-6060, open daily. To Jan. 5: "Great Adventure Egypt." Under the theme "knowing the past to understand the future," the exhibition brings together items, including some from Tutankhamen's tomb, that document the lives of the pharaohs.

YONGIN
Ho-Am Art Museum, tel: (0335) 20-18-51, closed Mondays. **Continuing/** To Dec. 31: "Auspicious Dreams: Decorative Paintings of Korea." A selection of works from the museum's collection.
www.hoammuseum.org

SPAIN

BARCELONA
Fundacio Joan Miro, tel: (93) 329-1908, closed Mondays. Feb. 7: "Magritte." A selection of 75 oils, gouaches and drawings arranged to reflect five recurrent themes in the Belgian artist's oeuvre: narrative and mystery, chance encounters, metamorphosis, mechanisms of language and picture within the picture.

BILBAO
Guggenheim Museum, tel: (94) 435-90-00, closed Mondays. To March 7: "Robert Rauschenberg: A Retrospective." Brings together 400 works by the US-born artist (1925). Painting, sculpture, photography, engravings, collage and performance have played a part in his effort to merge art, life and artistic genres.
www.guggenheim.org/bilbao.html

SWITZERLAND

BASEL
Fondation Beyeler, tel: (61) 645-9700, open daily. To April 5: "The Magic of Trees." Explores representations of trees in modern and contemporary art through paintings and sculptures by Van Gogh, Ferdinand Hodler, Gustav Klimt and Richard Long. In the gardens of the Foundation, Chirico and his wife have wrapped up 163 hazelnut, plum, cherry and ginkgo trees.
www.beyeler.com

GENEVA
Cabinet des Estampes, tel: (22) 418-2770, closed Mondays. To Dec. 20: "Pierre Alechinsky." While the painter and graphic artist is often associated with expressionism and color, he also experimented with calligraphy. The works exhibited here mix writing and drawing, humor and poetry.

UNITED STATES

BOSTON
Museum of Fine Arts, tel: (617) 267-9300, open daily, except Thanksgiving. **Continuing/** To Dec. 27: "Monet in the 20th Century" More than 80 paintings produced by the French Impressionist from 1900, when he was 60, until his death at age 86 in 1926.
www.boston.com/mfa/monet/

HOUSTON
Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To Jan. 10: "A Grand Design: The Art of the Victoria and Albert Museum." 250 works of art that span 2,000 years of artistic achievement from many of the world's major cultures. The exhibition encompasses such works as Leonardo's visionary notebooks, paintings by Constable, sculptures by Cellini and Pisano; Chinese and Korean ceramics; Sevres porcelain and items of furniture.

NEW YORK
Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. **Continuing/** To Jan. 3: "From Van Eyck to Bruegel: Early Netherlandish Paintings." A collection of paintings by 15th- and 16th-century artists such as van Eyck, Petrus Christus, Hans Memling, Gerard David and Bruegel.
www.metmuseum.org
Morgan Library, tel: (212) 685-0008, closed Mondays and holidays. **Continuing/** To Jan. 10: "Master Drawings from the Hermitage and Pushkin Museums." More than 100 western European drawings spanning the 15th to the 20th centuries.
Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. **Continuing/** To Feb. 2: "Jackson Pollock." Dripping paint from a stick held above the canvas, Pollock wove abstract webs of lines, ornamented with spatters of color.
www.moma.org
Whitney Museum of American Art, tel: (212) 570-3633, closed Mondays and Tuesdays. **Continuing/** To Nov. 29: "Mark Rothko." Some 115 works on canvas and paper by the American artist (1903-1970).

WASHINGTON
Freer Gallery of Art, tel: (202) 357-4880, open daily. To Feb. 7: "Roy Lichtenstein: Landscapes in the Chinese Style." Between 1994 and 1997, the American Pop artist created paintings, collages and drawings that were influenced by Chinese landscape paintings. Manipulating dots of various sizes and colors he recreated the monochromatic tones of the Song dynasty views.

Reflect McKenzie

In Washington, a Chinese-like "Landscape With River," painted by the pop artist Roy Lichtenstein in 1996.

CLOSING SOON

AMERICAS
Nov. 22: "The Time of the Nabis." **Museum of Fine Arts, Montreal.**
Nov. 22: "Ancient West Mexico: Art of the Unknown Past." **Art Institute, Chicago.**

ASIA
Nov. 23: "Crafts of Kyoto in the Taisho Period." **National Museum of Modern Art, Kyoto.**
Nov. 23: "Art Now in Japan and Korea." **Meguro Museum of Art, Tokyo.**
Nov. 23: "Zenzaburo Kojima." **Shoto Museum of Art, Tokyo.**
Nov. 24: "Calligraphy of Japan and China." **Suntory Museum of Art, Tokyo.**

EUROPE
Nov. 22: "Robert Indiana: Retrospective : 1958-1998." **Musee d'Art Moderne et d'Art Contemporain, Nice, France.**
Nov. 22: "Paul Gauguin, 1848-1903." **Fondation Pierre Gianadda, Martigny, Switzerland.**
Nov. 22: "Speed." **Whitechapel Art Gallery, London.**
Nov. 22: "Pierre Alechinsky." **Jeu de Paume, Paris.**

Compiled by Elisabeth Hopkins

BOOKS

GHOST TOWN

By Robert Coover. 147 pages. $24. Henry Holt & Co.

Reviewed by Richard Bernstein

NEAR the end of "Ghost Town," Robert Coover's exuberant, word-rich parody of an American western, a photographer shows up to take pictures of a man about to be hanged. What ensues is a wonderfully brief and witty takeoff on art criticism, gallows humor of a literal sort:

"It was his studied opinion, the man said, spreading out his samples and compelling attention, that a photograph of one hanged man has a more melancholical aspect about it than do those of groups, though men strung up in multitudes of a dozen or more not only provide peculiar challenges and opportunities for the enterprising photographist, being less of a stereotype, as might be said, but they also have a way of opening up the foreground of pictorial scrutiny and drawing attention to those who have not yet been hanged."

Several of the features of Coover's new novel are contained in that passage. There is the utterly deadpan appreciation of the grotesque, for example, and the comically vernacular elegance of the writing as well as Coover's almost lubricious sense of the mythic. "Ghost Town" is a funny, ribald and, as the photographer might have put it, melancholical story, set in the sere and surreal landscape of a place called the Territory. The Territory is a place where Zane Gray or Louis L'Amour might have set their stories, and Coover's book is an affectionate and mostly delicious parody of what they would have written.

I say mostly delicious because it is extremely difficult to sustain a parody through more than a few pages. Once the reader gets the joke, the rest has a tendency to become a variation on the theme, and can get tiresome quickly. Coover's parody does flag here and there, becoming repetitive. His ever-shifting landscape, a cross between Brett Hart and Salvador Dali, shifts once or twice too often. But that is a minor problem. When Coover reaches a high point, as he does with his "photographist," the point is high indeed, and these points come frequently enough to rescue the book from its moments of languor.

We begin with a lone cowboy riding toward an empty horizon, and within one or two pages, two elements of the book have already become apparent. One is Coover's striking gift for language, his ability to create a tone in perfect harmony with the universe of his story. "No resistance," our narrator says when the cowboy comes across a well and tries to crank its rusty handle. "Like wagging a dead man's bones." This is a book of constant stylistic inventiveness.

The second element is the mock mythic quality of a story in which the author mimics an archetype but then both lampoons and exceeds it. "Beer is drawn," begins a description of a saloon in Coover's ghost town. "An ear is torn off. A bony bald man in a white shirt, yellow suspenders, and black string tie bangs out a melody on the grand piano, against which a buxom rouged-up lady with wild orange curls leans, singing a song about a good girl who went bad."

Coover's cowboy, never given a name, dwells in a treacherous, unfeeling universe, a place where there is not only overwhelming danger and despair but where mirage and reality blend and interchange constantly and duplicitously. He sees things that are suddenly behind him or that continue to recede toward the horizon as he approaches them. When he finally enters the town where the action of "Ghost Town" takes place, it is empty, as ghost towns are, but soon it is filled with a motley crowd representative of all of the western archetypes.

There are the gamblers with scars, half-breeds, lynch mobs, the gunmen who plug holes in their rivals' hearts as casually as they would toss back a shot of red-eye. There is the over-endowed saloon singer who falls for the cowboy, the Indians and settlers, rattlesnakes and mustangs and the desert surrounding the town like a hostile ocean around an island. The characters, including the cowboy, speak in a dialect of the author's invention that has the feel of authenticity to it.

The story, insofar as there is a story, consists of an ever more farcical series of adventures, in which the cowboy, who becomes sheriff, desperately escapes the amorous intentions of the saloon singer. Several times he is about to be hanged or otherwise maltreated, and each time Coover invents some new way for him to be rescued. In the end, a sort of final confrontation takes place in which the cowboy voyages through the town, whose features and inhabitants are seen as if in fun-house mirrors, in an act of redemptive but unrewarded virtue.

It is a testimony to the power of Coover's writing that when we take leave of our hero, we are left with deeper feelings, about loneliness and the futility of the quest for meaning, that go well beyond the usual satire.

New York Times Service

RECORDINGS

• **PHILIP CATHERINE,** "Guitar Groove" (Dreyfus): The Belgian guitarist Catherine takes John Scofield's mix of John Coltrane and Jimi Hendrix a step further by adding Django Reinhardt's Gypsy soul into the mix. That's a lot of famous and talented guitar pickers in a row; Catherine belongs right up there with them.

• **MICHAEL BRECKER,** "Two Blocks From the Edge" (Impulse!): People were arguing about the relative merits of tenormen Coltrane and Sonny Rollins during their prime. Then Michael Brecker began to sneak up on them in the 1970s and he has more young imitators than anybody by now. Jeff (Tain) Watts confirms once more his leading position in a long line of post Elvin Jones-cum-Tony Williams drummers.

Children of the Famous:

• **EAGLE-EYE CHERRY,** "Desireless" (Polydor):

• **KYLE EASTWOOD,** "From There to Here" (Columbia):

Don's son, and Nenah's brother, Eagle-Eye presents a fusion of a sort of cute country Hendrix presence and Motown time and texture plus a number of other influences (Little Feat) peeking in. One thing for sure, the kid's got a future.

Clint's boy Kyle makes an admirable, promising debut as a bass player and leader. He picked an efficient crew including David Sanchez, Oscar Brashear, Mark Isham and Peter Erskine and allowed them the space to express themselves.

Mike Zwerin/IHT

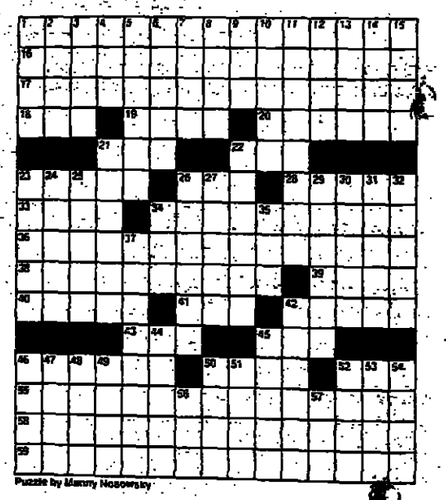
CROSSWORD

ACROSS

1 Exotic recreation sites
16 Frankie Carle's theme song
17 They'll do for now
18 Haifa hifi
19 ——en-scene
20 Blush white twinklers
21 Pullman, e.g.
22 Cries of mock horror
23 Rum cakes
26 Byways Abbr.
28 Ease off
33 God with an eight-legged horse
34 Brownish
36 Scammers
38 Where a foot rests
39 Raced
40 Insight
41 Workplace where there are some openings Abbr.
42 Like a certain vein
43 "Shoot"
45 70's-80's N.B.A. star Williams
46 "Be present," in a song
50 Per ——
52 Mauna ——
56 Temporarily
58 Leave an argument unresolved, say
59 Quits working

DOWN

1 Call to attention
2 Cousin of the banjo
3 Compound with a doubly linked carbon atom
4 Max Ernst collaborator
5 Letters from Greece
6 New name for Allegheny in 1979
7 Sales force, informally
8 Salinger title character
9 It makes ink pink
10 Shekdom of song
11 Factor in a more healthful diet, maybe
12 Are you some kind of ——?
13 Dear, as a signorina
14 Germany's —— Reservoir Dam
15 Meeting of Congress
21 Ezra Pound work, with "The"
22 Some March excitement with "the"
23 Variety hits
24 Allan-——
25 Prairie sights
26 Boil over?
27 African capital whose name means "tamarind tree"
29 —— de nuit (cabarets)
30 Alarming felony?
31 Tankmate for an angelfish
32 Onetime Ford division
34 Clunky ship
35 Certain number, Abbr.
37 Pauses to rest
42 Cuban dance tunes
44 Mind
45 Stupidheads
46 At some distance
47 Former Italian leader
48 Doesn't call a spade a spade?
49 Leave be
50 Lover of Aeneas
51 Poker declaration
52 Money in the banca
53 A standout for sure
54 Quite a while
56 Good deal
57 What makes you you



Puzzle by Manny Nosowsky

© New York Times/Edited by Will Shortz

Solution to Puzzle of Nov. 19

B	O	W		R	A	V	E	R		A	F	A	C	E
I	R	A		E	L	O	P	E		B	R	U	I	T
G	E	L		M	O	R	O	N		A	E	T	N	A
W	I	T	H	O	U	T	C	E	P	T	I	O	N	
I	D	E	O			H	E	R	E		G	A	B	
G	A	R	G	L	E	D		E	S	K	I	M	O	
		W	A	X	E	R	S		E	R	O	S		
G	R	E	A	T	E	C	T	A	T	I	O	N	S	
L	E	G	S		D	A	E	D	A	L				
A	F	G	H	A	N		M	A	D	L	I	B	S	
D	I	S		D	O	W	D			O	B	I	E	
	T	H	E	O	R	I	E	N	T	P	R	E	S	S
S	T	E	R	N		D	R	E	A	R		R	E	T
C	E	L	L	I		T	R	A	C	E		J	C	E
I	D	L	E	S		H	Y	P	O	S		A	T	T

BRIDGE

By Alan Truscott

NOWADAYS the Internet provides almost everything. Bridge players can play the game, get information on Web sites and take lessons to sharpen their skills. Bridge Today University offers courses by e-mail that permit students to ask questions of the professors. The charge is $49 for 11 lessons. Information is available at (800) 525-4718 or by e-mailing *nuttu@bridgetoday.com*.

One of the professors is Marshall Miles, the author of many fine books on the game. His first deal is shown in the diagram. After a transfer response to one no-trump, showing spades, South must decide whether to rest in three no-trump, which he did, or revert to spades. As it happened, the bad spade split makes it necessary to guess the location of the diamond queen in either contract.

In three no-trump the club jack is led, and East is alert. South plays low from dummy, and East would be wrong to play low. He takes his top honors, and West takes two more club tricks. He shifts to a heart, and South wins with the ace. He plays three top spades, expecting to claim his game, but then has to think again.

Before committing himself in the diamond suit, he should cash two more heart tricks to enlarge his distributional knowledge. He now knows that West began with four cards in each black suit and at least three hearts.

He therefore has at most two diamonds and East has at least four, so the percentage play is to lead to the diamond king and finesse the 10 on the way back. If West began with a doubleton diamond queen the result is down two, but South has given himself his best chance.

NORTH
♠ Q 7 6 5 4
♥ A 8
♦ K J 6 2
♣ Q 3

WEST
♠ J 10 8 2
♥ J 6 5
♦ 9 7
♣ J 10 8 7

EAST
♠ 9
♥ 10 7 4 3 2
♦ Q 8 5 3
♣ A K 4

SOUTH (D)
♠ A K 3
♥ K Q 9
♦ A 10 4
♣ 9 6 5 2

Both sides are vulnerable. The bidding:

South	West	North	East
1 N.T.	Pass	2 ♥	Pass
2 ♠	Pass	3 N.T	Pass
Pass	Pass		

West leads the club jack.

THE FREQUENT TRAVELER

The Quest for a Better Deal

By Roger Collis
International Herald Tribune

A GROWING number of business travelers are searching for discounted tickets not just in economy but in business and first class. A large majority is happy to use no-frills airlines on short-haul routes — especially in North America and Europe, and an overwhelming majority believes that global airline alliances are a benefit — because of the range of destinations, better connections, more frequent flights, and the ability to earn and redeem frequent flier miles on a broader network; and there's more use of the Internet for flight information, though less than 10 percent of travelers make on-line bookings.

These are some findings from the International Air Transport Association's Corporate Air Travel Survey 1998, published last month. The survey reflects the views of more than 1,000 frequent business travelers from France, Germany, the Netherlands, Britain, Canada, the United States, Australia, Hong Kong, Japan and Singapore who had made at least one long-haul trip in the previous 12 months. Interviews were conducted during July amid fears of a global recession.

Budgets are starting to be constrained, with more cuts envisaged in the next six months, especially among Asia Pacific travelers. Twelve percent of travelers expected budgets to be cut (twice as many as in 1997), and 55 percent foresaw no change in the next 12 months. Sixteen percent of Asia Pacific travelers were expecting budget cuts — more than three times as many as in 1997 — compared with 13 percent of Americans and 9 percent of Europeans.

But we're still talking about relentless travel. Thirty-nine percent made a trip either once a month or once every two months, and more than a quarter of the sample traveled more frequently.

Conferences (20 percent) and internal company visits (19 percent) are the most common reasons for travel, followed by sales and service calls (17 percent) and marketing trips (14 percent). Asia Pacific travelers were more likely to be attending a conference. Sales and service calls and internal company visits are more common among very, very frequent travelers.

What is surprising is that 29 percent of travelers have used video conferencing (less for Asians), of whom 49 percent have substituted it for long-haul trips and 36 percent for short-haul trips. The main motivation is to save time and money, especially for internal company trips.

The search for deals has grown more important since last year, when 55 percent of travelers paid full fare. This year, 40 percent said they paid full fare and 41 percent bought discount tickets. Thirty percent of travelers are using discounted tickets in business and first class, compared with 22 percent a year earlier.

Nearly 85 percent of business travelers are members of a frequent-flier program, and 31 percent belong to more than five. A third of travelers say they always take FFPs into account when choosing an airline, and 18 percent say they never do. The influence of FFPs is strongest in small companies and among individual business travelers and in North America. Two-thirds of all FFP members have redeemed miles. Redemption for holiday travel (58 percent) is by far the most popular.

□

Road warriors are working longer, sleeping less and waiting in line more than ever before, according to the American Express 1998 Road Warrior Technology Study, a recent on-line poll of 546 business travelers in the United States who are regular on-line users and take at least 10 overnight business trips a year.

Sixty-five percent "always or almost always" use a laptop on overnight trips to access or send e-mail — 84 percent at least once a day — and 67 percent say they access the Internet at least once a day during their trip. Twenty-five percent say they usually use a cellular phone to get in touch with the office.

They typically work an average of 11 hours a day, compared with 9.5 hours back at the office. More than two-thirds call home while away.

□

Forget the food, it's the schedule and a reputation for safety and punctuality that counts when choosing an airline, according to the OAG Business Travel Lifestyle Survey 1998, published by OAG Worldwide this week. The survey is drawn from a sample of 3,000 business travelers from nine countries across North America, Europe and Asia Pacific.

Corporations have taken more control of business travel: Nearly nine out of 10 travelers are bound by some form of corporate travel policy compared with two-thirds in 1997. American and Australian companies are most vigilant in policing policies, being more concerned about enforcing class of air travel than choice of airline. But only three in 10 are restricted in their choice of hotel.

Business travel, it seems, is not for the young. The average age of road warriors is 47 years and only one in 10 is under 35. Australia has the highest proportion of over-55s. And travelers are making longer trips involving more nights away in hotels (45 nights a year on average).

Italians and Singaporeans are the most frequent international travelers, closely followed by the British and the French. Americans make more air trips than anyone else, but a third of all American frequent travelers have not been abroad on business in the last 12 months.

More people take laptops on trips than ever before — six out of 10 travelers say they will use them in-flight and nine out of 10 in hotel bedrooms. Three-quarters had an Internet connection and more than half go on-line while they're away. One third have use the Internet to get travel information: but only 10 percent have used it to book travel.

Roger Collis can be reached by fax at: (33-1) 93-74-77-92.

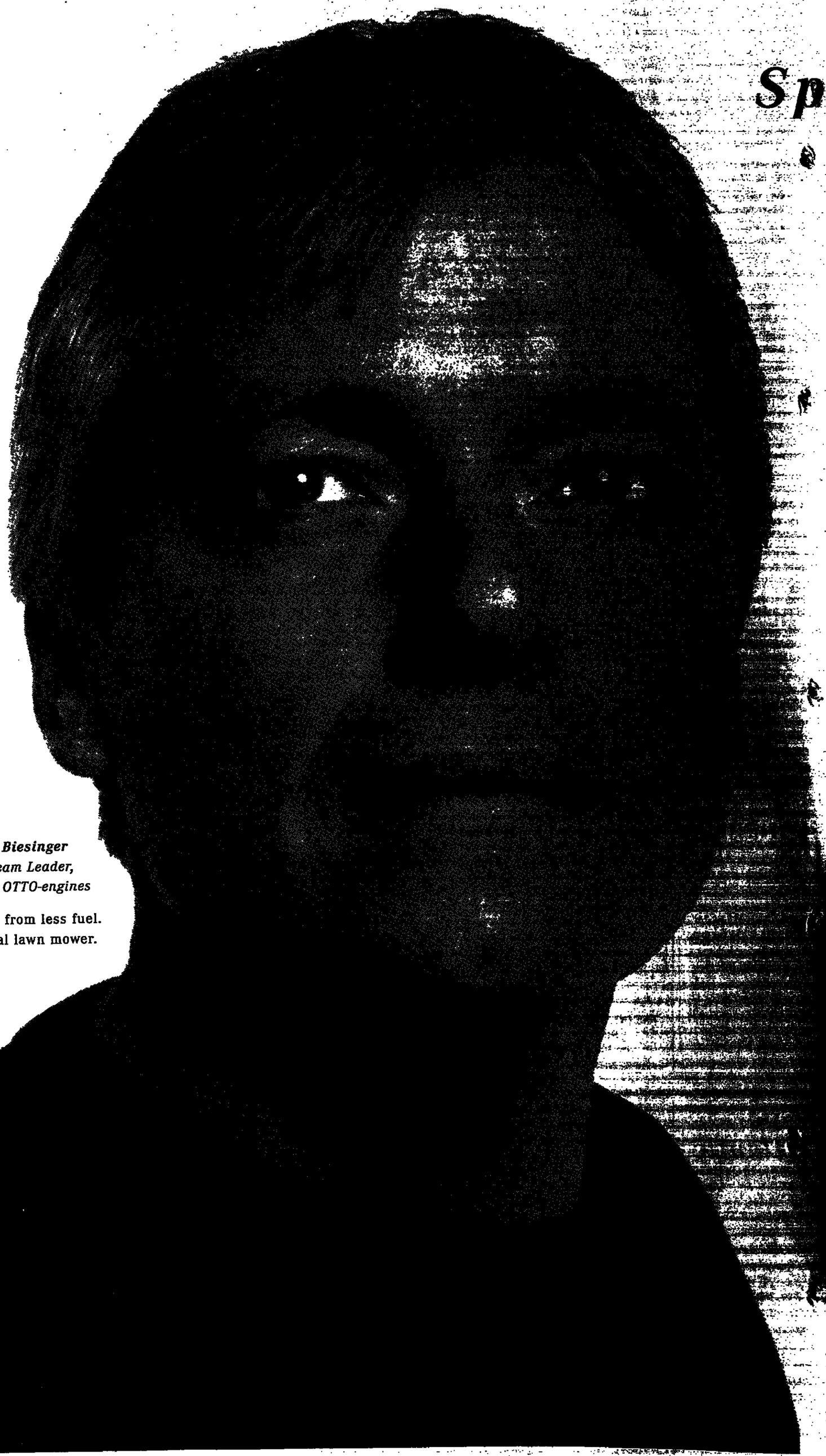
Susan Goldenberg/IHT

GOOD TRAVEL DEALS

Sujet: Dulerie

GETTING THERE		
AIR INDIA	London to New York	Round-trip in business class for £811 ($1,350). Until Dec. 15. The Travel Bug, (44-171) 835-1111.
CONTINENTAL AIRLINES/VIRGIN ATLANTIC	Britain to United States	Round-trip nonstop flights from Heathrow to Miami for £182 ($303) and to Los Angeles for £207. For departures between Jan. 1 and March 25. Some conditions apply. Trailfinders (44-171) 937-5400.
EMIRATES	London to Singapore	Round-trip (via Dubai) in business class from £1,484 ($2,470). Until Dec. 5. The Travel Bug, (44-171) 835-1111.
KENYA AIRWAYS	London to Seychelles	Round-trip from Heathrow to Mahe, Seychelles (via Nairobi) for £328 ($546). A stopover is allowed in Nairobi either way for an extra £31. Minimum stay seven days; for departure between Jan. 1 and March 31. Trailfinders, (44-171) 938-3939.
SINGAPORE AIRLINES/SILK AIR	Singapore	"Singapore Stopover" package is available to travelers arriving and departing on long-haul flights on certain routes between North America, Europe and Australasia. Benefits include: first night hotel from $1 and additional nights from $30; entrance to the zoo; Night Safari; Tang Dynasty City, Sentosa Escapade, Volcano Land, the Malay Cultural Experience and other attractions; 50 percent off sightseeing tours in Singapore and 50 percent off Hertz car rental; plus shopping discounts at Changi Airport. Some conditions apply. Not for sale in Singapore or Malaysia peninsula. Until March 9.
THAI AIRWAYS	London to Bangkok	Round-trip fares from Heathrow to Bangkok on new thrice weekly (Saturday, Tuesday, Thursday) evening flights for £480 ($800), with tax, and £510 with onward connections to Phuket, Chiang Mai, Chiang Rai. Minimum stay seven days. For departure before Dec. 9 or between Jan. 16 and March 31. (44-171) 499-9113.
VIRGIN ATLANTIC	London to New York	Round-trip for £230 ($383). Until Dec. 12. The Travel Bug, (44-171) 835-1111.
WHERE TO STAY		
THE HALKIN	London	Doubles for £250 ($416) a night with tax and English breakfast (normal rate from £350) or a suite for £350 (normal price £495). From Dec. 18 to Jan. 31. Stay between Jan. 2 and 31 and claim a £50 voucher to spend at nearby Giorgio Armani.
HYATT	Worldwide	"Great Deals" promotion offers up to 50 percent off regular room rates at 60 properties worldwide (including 35 Hyatt hotels in Asia Pacific). Gold Passport members staying two or more nights can earn up to three free weekend nights or 6,000 bonus miles with Hyatt's "Nights after Nights" promotion in addition to Great Deal rates. Until Feb. 28.
KEMPINSKI HOTEL PLAZA	Jakarta	"Executive Meeting Package" for $95 a night single ($110 double) includes standard room, breakfast, lunch, audio-visual equipment, meeting room. Minimum 10 persons. Until Jan. 31. (62-21) 251-0888.
THE PENINSULA	Hong Kong	"Peninsula Plus" promotion offers singles for 2,700 Hong Kong dollars ($348) and doubles for 2,800 dollars, with room upgrade, American breakfast, and late check-out until 6 P.M. From Jan. 4 to Sept. 30.
THE PENINSULA	New York	Singles/doubles for $420 a night (plus tax) includes room upgrade, American breakfast, and 6 P.M. checkout. Jan. 1 to March 31.
TRADERS HOTEL	Singapore	"Superior" singles for 158 Singapore dollars ($95) and doubles for 168 dollars. Until Dec. 31. (65) 831-4282.
TRADERS HOTEL	Singapore	"Celebration Package" for 168 Singapore dollars ($101) per room per night includes a 50 dollar credit for food and beverage and a half bottle of champagne, use of fitness center with sauna, steam bath, outdoor pool; 3 P.M. check-out. From Dec. 1 to Feb. 28.

Compiled by Roger Collis. Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.



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OPINION/LETTERS

Defense of Human Rights Ought to Be Automatic

By E.J. Dionne Jr.

WASHINGTON — The United States needs a more consistent record on human rights, so each protest and declaration against a foreign leader for his human rights record carries real force.

Vice President Al Gore caused a ruckus this week when, speaking for the Clinton administration, he rebuked the Malaysian government for putting down dissenters and praised the bravery of those protesting the policies of Prime Minister Mahathir bin Mohamad.

Nor did Mr. Gore back down when Mr. Mahathir's enraged government attacked him for "gross interference in the internal affairs of the country" and for threatening "harmony and stability." It just ruins a political leader's day to have someone say he should not jail his political opponents or beat them up.

Mr. Gore's comments came at a meeting of the Asia-Pacific Economic Cooperation forum, known as APEC, in Kuala Lumpur. His words need to be seen as part of a long argument between advocates of democracy and leaders of some Asian nations who, when it serves their interests, claim that basic freedoms are a Western cultural import. These leaders use the slogan "Asian values" to allow them to run their countries as they wish, and do to their people what they want.

That is why one of the important statements in support of Mr. Gore came from President Joseph Estrada of the Philippines, who flatly rejected cultural relativism when it comes to liberty. "I don't interfere in Malaysia's domestic problems," Mr. Estrada stated, "but I've said human rights and due process of law transcend all boundaries."

The joker in the "Asian values" deck is that these values are always invoked by people who hold political power against those contesting them for it. Condemnations of the West serve as a cover for their own self-interest. Rulers of Communist and fascist states did much the same when they dismissed civil liberties as the creations of "bourgeois democracy."

But whenever the United States government does stand up for "human rights and the due process of law," it always risks being criticized for inconsistency and selective moralism. Unfortunately, it is true that the U.S. government is not consistent on these matters — witness the administration's policy toward China.

Advocates of a stronger U.S. commitment to human rights need to acknowledge an unpleasant fact: There will be times when the United States allies itself with dictators in defense of our its interests, or with an eye toward the long term.

At the extreme, history has vindicated Franklin Roosevelt's decision to ally with Stalin's murderous regime to take down Hitler's murderous regime. Hitler posed the greater immediate threat to freedom and, although it took 45 long years, Communist tyranny in Europe was eventually overthrown.

But those who criticize human rights advocates as simplistic moralists invoke such examples too easily to justify doing business with anybody at any time. It was striking that Rafidah Aziz, Malaysia's trade minister, cited American business people as coming to her and criticizing Mr. Gore's speech during the APEC dinner.

"I had American and other friends from APEC, the business sector, the official sector, who came to us and practically apologized and they were disgusted as well," she told The Star, a Malaysian English-language daily. "I can imagine the embarrassment of the U.S. community here, they are totally flabbergasted."

What is flabbergasting is that those who enjoy freedom would be moved to condemn a vice president who declares that other people deserve the liberties Americans claim as inviolable. You have to hope that some do not prefer doing business in countries with authoritarian regimes, where messy strikes and other human rights demands do not get in the way of production.

Human rights advocates in the United States tend to be divided into niches — those who worry most about religious liberties, those who care about labor rights, those who belong to the traditional human rights organizations. They span the political world from Christian conservatives to pro-union liberals, and include many people in between.

Those who think human rights deserve a higher priority in American policy-making need to sort out their differences and seek a set of consistent principles that might be applied practically.

The bipartisan congressional coalition that supports human rights — one thinks of the powerful California duo of Representative Christopher Cox, a Republican, and Representative Nancy Pelosi, a Democrat — should take the initiative so that such leaders as Mr. Mahathir can no longer claim that America's insistence on freedom is sporadic, inconsistent and easily dismissed.

The Washington Post

One Diarist's Germans

By Richard Cohen

WASHINGTON — For years now, I have been hearing about Victor Klemperer's diaries. For a time, they seemed a mere rumor — the day-by-day account of a "Jewish" intellectual during the entire Nazi period in Germany. The diaries were discovered in the 1960s, transcribed in the 1980s, published in Germany to much excitement and, now, published here in America — more than 500 pages of an ordinary life in extraordinary times. As drama, they are plodding. As warning, they are chilling.

Mr. Klemperer did not write "I Will Bear Witness" for publication. He had always been an inveterate diarist, persisting even after the Nazis assumed power and it was foolhardy and even life-threatening to do so. He wrote because, among other things, he was a writer. He wrote because he could puzzle things out better that way.

In the end, he wrote because it was his peculiar, personal counterattack, a battle he staged daily: "I shall go on writing. That is my heroism. I will bear witness, precise witness."

He was by no means an ordinary German Jew. In the first place, he was a convert to Protestantism — a Jew only at the insistence of the racist Nazis. His wife was also a Protestant and — another factor that set him apart from many Jews — he had served in a frontline unit during World War I and won the Iron Cross. For these reasons, he was excluded from some of the most oppressive anti-Jewish measures, including, of course, those that would have cost him his life. He survived the war and lived until 1960, a diarist apparently to the end.

But it is the diary he kept from 1933 to 1945 that commands our attention. It is full of fascinating detail, not just what you might expect — a reference to Kristallnacht, for instance, or the partition of Czechoslovakia — but the imposition of laws and regulations that slowly asphyxiated the German-Jewish community.

Mobs did their work, of course, and some people were sent to concentration camps, but in the early days the killing often proceeded slowly — first the livelihood, then the pride, then, ultimately, the will to live. Some Jews emigrated. Some killed themselves.

The diary tells another story as well — and maybe it is one peculiar to Mr. Klemperer, although I doubt it. For the most part, he is not mistreated by his countrymen. He encounters ordinary anti-Semitism, of course, but most of the Germans who find their way into his diaries are not rabid Jew haters. Some of them, in fact, are embarrassed by the Nazi regime's gutter anti-Semitism and, with a degree of courage, tell Mr. Klemperer how they feel.

This is important. For as Martin Chalmers, the English translator of the diaries, points out, Mr. Klemperer's experience contradicts the assertions of such scholars as Daniel Goldhagen, who maintains that the Holocaust was a product of a unique and particularly rabid German hatred of Jews — "eliminationist anti-Semitism," in Mr. Goldhagen's term.

That assertion would come as news to Mr. Klemperer. Instead, he feels he lives in what was once the most benevolent and cultured of all nations. He considers himself a German first, last and above all. He acknowledges cultural anti-Semitism, of course, but not of the sort the Nazis encouraged and implemented. "I am German and I'm waiting for the Germans to return," he wrote in 1942.

In fact, one of the more striking diary entries relates the time in 1938 when Mr. Klemperer pulls up to a roadside restaurant just as a speech by Hermann Goering, one of the top Nazis, is being broadcast: "Not one of a dozen people paid attention to the radio for even a single second," he wrote. "It just as well could have been transmitting silence or a fox trot from Leipzig." Occasionally, non-Jews expressed sympathy for him and sent gifts of this or that — cigarettes, food.

In a way, this is bad news. It has always been oddly comforting to ascribe the Holocaust to something peculiarly German — their allegedly extreme anti-Semitism, above all. But Mr. Klemperer is telling us that was not the case: These people are like any others. They are afraid. They have no rights. Dissidents have disappeared.

"Eliminationist anti-Semitism" appears to be mostly imposed from above. The killers are not necessarily haters. Some are merely cowed conformists.

If that is the case, it means that the Holocaust was not some exotic and inexplicable event where those weird Germans killed those weird Jews — a comet that will make but one appearance — but an atrocity that could be duplicated. Since it happened in one place once, it could happen in another place again. That is the lesson.

The Holocaust, Victor Klemperer's diaries suggest, tells us a little about Germans, a little about Jews — but an awful lot about us all.

The Washington Post

MEANWHILE

LETTERS TO THE EDITOR

A Swiss Lawsuit

On Oct. 15 (*"Swiss Conservatives Sue Critic Who Testified on Jewish Accounts"*) you reported that Jean Ziegler, a member of the Swiss Parliament and a "relentless critic of Swiss banks and their dealings with Hitler's Germany," was the target of a lawsuit that seeks to charge him with treason.

His offense, according to his accusers, most of whom are apparently shareholders of large Swiss banks, is that in his book and in testimony before a U.S. Senate subcommittee he defamed his country by reporting on the business dealings of its banks with the Third Reich.

The proposed indictment is a blatant effort to persecute a citizen for his opinions — a practice that should be repugnant to every freethinking society.

One of the cornerstones of any democracy is the ability to accommodate all forms of speech, unless it incites to violence. Regardless of how abhorrent or even incorrect criticism may be, the government response can neither be censorship nor imprisonment.

Essentially, Mr. Ziegler's opponents seek to tarnish him for exposing the economic collaboration of certain Swiss bankers and associated political figures with Hitler's Germany. His opponents' weakness is the fact that history has recently recorded that Mr. Ziegler is correct.

Two reports commissioned under the auspices of a U.S. diplomat, Stuart Eizenstat, have concluded — independently of Mr. Ziegler's observations — that there was an economic relationship between Swiss financial institutions and the Third Reich that transcended the obligations of neutrality, affirmatively aided and abetted a belligerent, and had no moral justification.

In the face of these reports, it would appear that Mr. Ziegler's opponents are more interested in a witch hunt than in facing reality. The more dangerous question facing the Swiss prosecutor is whether he is prepared to issue an indictment against those who sold Switzerland's soul during the war.

MICHAEL D. HAUSFELD.
Washington.

The writer is a partner at the law firm of Cohen, Milstein, Hausfeld & Toll, which led the class-action lawsuit against the Swiss Banks on behalf of Holocaust survivors.

Canadians Only

As a non-Canadian writer, I was amused by the claim of the Canadian minister for cultural heritage, Sheila Copps, that "Canada is also the country most open to foreign cultures" (*"On the Cultural Ramparts: Celine Dion for Canada," Meanwhile, Nov. 17*). I could paper her office walls with rejection slips from Canadian publishers, magazines and the state radio station reading, "Sorry. Canadian authors only."

DAVID ZANE MAIROWITZ.
Avignon, France.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

NYSE

Thursday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 18

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Herald International Tribune
BUSINESS/FINANCE
FRIDAY, NOVEMBER 20, 1998

Bonn and London in Entente

2 Finance Ministers Call for Growth-Oriented Policies

By Tom Buerkle
International Herald Tribune

LONDON — Britain moved to deepen its rapport with the new Social Democratic government of Germany and to increase British influence on European policy as the finance ministers of the two countries issued a joint call for efforts to stimulate growth and employment.

Finance Minister Oskar Lafontaine of Germany, in a visit to London, refrained from direct criticism of European central bankers, a modulation — welcomed by British officials — of his recent rhetoric calling for lower interest rates. British officials insisted that new growth initiatives would not undermine price stability or European rules on deficit spending.

"We have a great degree of price stability," Mr. Lafontaine said. "But unemployment is too high, and we know what we need to do is create jobs."

Gordon Brown, the chancellor of the Exchequer, said the joint call was consistent with a recent agreement by the Group of Seven nations that deflation now posed a greater risk to industrial economies than inflation did. But he pointedly differed with Mr. Lafontaine over recent German calls for tax harmonization in Europe.

During a 90-minute meeting, the two men agreed to establish a joint Anglo-German working group on job creation and economic reform. The effort mirrored an effort on social reform set up by Prime Minister Tony Blair and Chancellor Gerhard Schroeder two weeks ago and underlined the British government's attempt to use the new Anglo-German entente to get to the heart of European policy.

The two also discussed an initiative to more closely coordinate economic policies to promote growth and employment in Europe and to demand greater transparency on monetary policy by the European Central Bank. The initiative was to be cemented this weekend with the adoption of an economic manifesto by finance ministers from 11 socialist governments in the European Union.

A draft of the document has been seized on by some newspapers and opposition politicians here as evidence that Britain was joining a German-led move in favor of stimulative economic policies, including more government spending and calls for lower interest rates.

The draft does call on the European Central Bank, which will manage monetary policy for the 11 nations adopting the single currency Jan. 1, to "conduct a monetary policy for the euro area following the goal of price stability, taking into consideration growth and employment." It also urges the bank to be transparent in the conduct of monetary policy and to give regular accounts of its actions to the European Parliament.

But British officials noted that the emphasis on growth and employment merely reiterated the recent policy shift inside the Group of Seven nations, which agreed that deflation posed a greater risk in the industrial world today than inflation did.

Johnny Eggitt/Agence France-Presse

Gordon Brown, chancellor of the Exchequer, right, welcoming Finance Minister Oskar Lafontaine to London on Thursday.

The bulk of the document, which was initiated and largely written by Mr. Brown's special adviser, Ed Balls, was classic New Labour policy, British officials said. It stresses a need to mix stable macroeconomic policies with structural reforms to spread opportunity, including better education, welfare reforms that encourage work, and reforms of capital and product markets to improve the functioning of the single European market.

British officials welcomed the recent moderation of Mr. Lafontaine, who denied this week that he was trying to pressure the Bundesbank into lowering interest rates, and who pledged earlier Friday, in Italy, to adhere to the debt and deficit rules under monetary union.

"Lafontaine is beginning to change his language," one official said.

Paris Bourse Set to Join Club

France to Hold Meeting on a Pan-European Market

By Alan Cowell
New York Times Service

LONDON — Struggling to avoid being sidelined in the Continent-wide equities market promised by Europe's soon-to-be-launched single currency, French authorities indicated Thursday that the Paris stock exchange intended to join an alliance between London and Frankfurt seen as the precursor of a pan-European exchange.

The Paris Bourse announced it would play host to a meeting next Friday, inviting eight other European exchanges to discuss "the steps and conditions needed to create a unifying and competitive pan-European equity market."

The announcement illuminated the way the introduction of the new currency, the euro, is reshaping Europe's financial landscape, forcing Europeans to think in continental rather than national terms both in finance and business.

It also suggested that exchange authorities in Paris, piqued by the announcement in July of a "strategic alliance" between the London Stock Exchange and the Deutsche Boerse in Frankfurt, had not only abandoned an effort to set up a rival exchange but were also seeking to gain the initiative by convening the gathering.

Some doubt remained, however, about the timing and technicalities of the French entry into the alliance. Dominique Strauss-Kahn, the French finance minister, said, "Paris is joining this alliance with the creation from January 1999 of a joint company."

But officials in both London and Frankfurt — who welcomed the idea in principle — declined to say whether the timing and the arrangements were as advanced as the French official implied.

"I'm afraid I can't confirm anything like that," a representative of the London Stock Exchange said.

"The appearances are well ahead of the reality at this point," said an American banker, who spoke in return for anonymity.

"There are an awful lot of issues to be resolved," the banker added.

The euro is to be introduced in electronic trading, such as equities, bonds and futures dealings and intergovernmental transfers, on Jan. 1, although markets will not open until Jan. 4. Notes and coins in the new currency are to be introduced in 2002.

Initially, the currency will group 11 of the 15 European Union nations, leaving Britain, Denmark, Sweden and Greece on the outside. With its concentration of banking and trading, however, London is still expected to continue as the principal financial center in Europe.

The eight exchanges invited by the Paris Bourse to discuss creating the pan-European exchange are those in Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Stockholm and Zurich.

What Ails China? Drug Prices

Costs of Western Firms' Products Stretch Budgets

By Elisabeth Rosenthal
New York Times Service

BEIJING — When Sun Lilin emerged from Beijing Children's Hospital, her pockets bulged with bottles of syrup and her hands juggled a tower of boxes containing powders and pills.

She had brought her 5-year-old daughter to the clinic with a cough. She left with two Chinese cold syrups, a potent broad-spectrum antibiotic, an inhaler and a little round device that jets powdered medicine into the lungs.

The doctor's visit cost less than $1. But the medicines cost $60 — half a month's salary — almost all of it for the three Western drugs.

"The medicine has gotten so expensive I really can't afford it," said Ms. Sun, a red-cheeked cleaning woman in a middle school, echoing a complaint of virtually everyone in China these days. "But, of course, she's my only child. And she's sick. I buy her the best."

Imported Western pharmaceuticals have taken China by storm, straining pocketbooks as they hold out promises of cure. The denouement of nearly every doctor visit in China today is the prescription of a small pharmacy's worth of this year's hottest medicines, be they nonsedating antihistamines or daily high-blood-pressure pills.

Such sales have been buoyed by a new and unlikely symbiosis: Western drug companies have been aggressively courting China's doctors and hospitals not only with new pills but also with gifts, money and even kickbacks, practices that are banned in the United States. Their goal: to gain access to China's 1.2 billion potentially ailing citizens, many of whom have a seemingly unshakable belief in the curative power of name-brand Western pills.

In response, Chinese doctors prescribed hundreds of millions of dollars of mostly expensive Western medicine last year. But they have another motive as well: Cash-strapped Chinese hospitals are allowed to sell medicines their doctors prescribe at a profit, and the profit is far greater when doctors prescribe expensive Western drugs.

"There is a strong interest group forming of drug companies, hospital managers and doctors," said Qiu Renzong, a professor of bioethics at the Chinese Academy of Social Sciences. "In China, we produce some equally effective medicines, but doctors don't prescribe them anymore. The result is a heavy financial burden on the patients."

Drug sales have become a rich cash source for Chinese hospitals in the past two years, accounting for around 60 percent to 80 percent of their revenues, officials say. Although there are hundreds of Chinese drug companies producing traditional and Western-style medicine, medicine made by foreign or joint-venture companies now accounts for well over 50 percent of prescriptions in Beijing, Shanghai and Guangzhou.

Today, foreign drug and medical-equipment companies pay for Chinese doctors to study overseas, buy hospitals new furniture and provide airline tickets and hotel vouchers for conferences. In an even more controversial practice, the companies commonly pay hospital administrators and individual doctors "commissions" for stocking and prescribing their drugs, although such payments are against corporate policies and are illegal in China.

"If a pill sells for 5 yuan [60 cents], often more than half of that is spent to give little red packets containing cash to the hospital director of purchasing, to the pharmacy manager and a bit to the doctors themselves," said Li Ning, vice president of Beijing's Chaoyang Hospital.

"Of course hospitals have regulations banning kickbacks," said Mr. Li, a young general surgeon who studied hospital administration at the University of Minnesota. "But this is hard to catch, and we know the rules are not very effective."

The relationship between Western companies and China's doctors has helped introduce valuable drugs and equipment into China, which generally permits the importing of any drug approved by U.S. regulators. But in other cases the high-priced products offer only slight advantages. "Western medicines and medical equipment have greatly contributed to medical costs that are rising 35 percent a year," Mr. Li said.

Many of the companies operating in China refused to discuss their practices, but Thomas Reinert, a spokesman for Bayer AG, the German pharmaceutical concern, said Bayer had priced medicines lower in China than in most of the rest of the world and that it specifically forbade payments to doctors. He said the company followed an industrywide international code of conduct that allowed, for example, the sponsoring of medical symposiums but outlawed payments to encourage ordering products. Still, he said, "there is a gray zone in there."

Privately, many in and out of the industry acknowledge that young Chinese sales representatives, far from corporate headquarters, often flout conduct codes. "Hong bao," or little red envelopes stuffed with cash, are a semi-institutionalized part of Chinese life, at times offered to surgeons for operations as well as to journalists in hope of a favorable story.

"Practices that would not be O.K. in the West are quite common in China," one industry representative said. "And it's not just international drug companies — the Chinese companies are doing it too."

But Western companies have more money, and their incentives are tempting to doctors who often make just $120 a month and who, without their help, would have little opportunity to read foreign medical journals or go to conferences overseas. Moreover, ever since China's hospitals lost the last of their formerly huge government subsidies last year, Western drug sales have become essential for balancing hospital budgets.

While there are tight price controls for Chinese-made medicines, hospitals are allowed to set their own prices for Western drugs. Some state workers still have health plans that cover the cost of drugs, but many more now pay for medicines themselves or get only a small fraction of the costs paid by their employers.

Cities such as Shanghai and Beijing recently started requiring patients covered by state insurance plans to pay for any Western drugs. This month, the State Development Planning Commission said it would issue regulations to reform the drug-pricing system — for the third time in three years. But it added that "the consequences of the hospitals' sales business cannot be dealt with overnight."

Drug representatives who work in China like to emphasize their role as educators. But Western doctors who have attended recent Chinese medical conferences say they are shocked to see the representatives sometimes giving the central lectures at what are billed as impartial scientific meetings.

"It is like the Wild West with a lot of flagrantly unethical behavior and few rules," said one doctor, who spoke on condition of anonymity.

Mr. Li, the hospital vice president, said he disliked the close relationship between hospitals and drug companies, even though that relationship now keeps his hospital afloat. "Now the state gives us policies but no money," he said, "so, for survival, the hospital has to have more patients and prescribe more drugs and scans."

Urban Chinese are avid hospital-goers and have a strong bias toward treating ailments with a tonic or pill. After a spate of newspaper exposés about counterfeit pills and poor quality control at some Chinese pharmaceutical plants, many people have grown at least a bit suspicious of domestic products. In addition, whether in handbags or medicines, the Chinese are fond of name brands, leaving Western pills with gangbuster sales and Chinese hard-pressed to afford them.

The New York Times

Visitors leaving a Beijing hospital where costly foreign drugs are often prescribed.

Economic Turmoil Means Lower Expectations for APEC

Difficult Meeting Forces a 'Reality Check' on Goals

By Michael Richardson
International Herald Tribune

NEWS ANALYSIS

KUALA LUMPUR — As the Asia-Pacific Economic Cooperation forum enters its 10th year after a sometimes stormy meeting here of national leaders and other high-ranking officials, the group seems to be grappling with political, trade and financial problems that are either too big or too hot for it to handle.

But as the heat and dust started to settle Thursday, some officials and analysts said that the buffeting the group had received might turn out to be a useful reality check, for the organization and its critics alike.

"People had unrealistically high expectations," said Prime Minister John Howard of Australia. "They have undergone a reality check, but that doesn't mean to say there isn't still enormous benefit and a great deal to be derived from the organization."

In the heyday of supercharged growth and booming trade in the region, it was relatively easy for APEC governments to cut tariffs and open markets, analysts said. But now that many countries and industries are being hurt by the current economic slowdown and unemployment is rising, it is more difficult to ignore demands for protection of national interests.

"It's not surprising that trade liberalization has not only become less important for APEC but more thorny," said Andrew Fung, an economist at Standard Chartered Bank in Singapore.

While the leaders of the 21 APEC member economies failed to produce a concrete plan of their own to deal with the region's financial crisis, they issued a broadly worded pledge at the end of their meeting Wednesday to pursue a "cooperative growth strategy" to hasten economic recovery.

They also "renewed" their commitment to a 1994 plan agreed to in Bogor, Indonesia, to achieve free and open trade and investment within APEC by 2010 for developed nations and 2020 for the rest.

"It's notable that despite the pressure of this crisis, the momentum for liberalization in this region is very much intact," a senior U.S. official said. "It may look as if it's slowed in some sense, but what's significant is that it's still moving forward."

Nonetheless, the continued trade opening now being sought by President Bill Clinton of the United States as he visits Japan will be difficult to achieve, other officials and analysts warned.

Among the "too-hot-to-handle" issues passed on to other organizations by APEC this week was a fast-track liberalization plan to eliminate tariffs on trade valued at $1.5 trillion in nine sectors.

The plan was agreed in principle by all APEC members a year ago, before the full force of the financial crisis hit the region. But in Kuala Lumpur, Japan adamantly refused to include two of the agreed sectors — fish and wood products — in the tariff-elimination plan. Both of those sectors are represented by politically powerful constituencies in Japan.

Under a compromise deal worked out by APEC ministers, the issue was pushed to the World Trade Organization, with U.S. officials saying there was a good chance a global accord covering all nine sectors could be

See APEC, Page 19

CURRENCY & INTEREST RATES

Nov. 19

Cross Rates

	$	£	DM	F.F.	Lira	D.F.	S.F.	Yen	C$	Peso
Amsterdam	1.765	2.159	1.1215	4.3262	2.123*	—	1.5715	1.594*	1.224	1.336*
Brussels	36.68	57.74	26.075	6.7515	2.0625*	15.234	—	25.88	19.971	34.26*
Frankfurt	1.474	2.765	—	5.7962	2.126*	1.8849	1.3129*	1.2173	1.464*	1.1176*
London (a)	1.6681	—	2.8024	9.395	2.7213***	3.1597	2.7997	2.3045	1.9313	2.5530
Madrid	142.486	237.94	119.444	25.363	8.59*	75.423	41.225	103.403	77.667*	91.497
Milan	1,658.25	2,767.45	1,390.05	295.25	—	877.25	479.99	1,296.00	1,000.00	71.644
New York (b)	—	1.66594	1.6859	5.6855	1.6700	1.9016	1.0398	1.2367	1.1948	142.40
Paris	5.6931	9.303	3.3533	—	0.3387*	2.974	1.6276	4.0888	3.2173*	3.945*
Tokyo	122.85	203.63	72.86	21.71	7.35*	64.54	35.295	88.44	—	96.86*
Toronto	1.5489	2.5836	0.9187	2.7378	0.9227*	0.8044	0.4404*	1.1143	1.2923*	—
Zurich	1.396	2.3122	0.8227	2.4515	0.8253*	0.7204	3.9701*	—	1.1391*	0.9846
1 ECU	1.3693	0.8898	1.9538	4.5962	1.5338.59	1.2509	40.2934	1.6091	1.3218	1.8143
1 SDR	1.3966	0.8369	2.238	7.3805	2.3013.17	2.0234	48.0218	1.9219	1.7932	2.2173

Closings in Amsterdam, London, Milan, Paris and Zurich. Fixings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound. b: To buy one dollar. *Units of 100. N.Q.: not quoted. N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.99994	Greek drac.	281.07	Mex. peso	9.9229	S. Kor. won	1,296.80
Australia $	1.5485	Hong Kong $	7.7436	Neth. guilder	2.0434	Swed. krona	8.0253
Austrian sch.	11.777	Hung. forint	217.19	Phil. peso	39.48	Taiwan $	32.47
Brazil real	1.1908	Indian rupee	42.42	Polish zloty	3.44	Thai baht	36.26
Canada dollar	1.5728	Indo. rupiah	7650.	Port. escudo	171.65	Turkish lira	294000.
Chinese yuan	8.2778	Israeli shek.	4.1477	Russ. ruble	14.98	UAE dirham	3.6727
Danish krone	6.3662	Japan yen	0.3027	Saudi riyal	3.75	Venez. bolIv.	568.25
Egypt. pound	3.41	Malay. ring.	3.795	Sing. $	1.62		
Fin. markka	5.0922			S. Afr. rand	5.6535		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6688	1.6668	1.6647	Japanese yen	118.54	117.92	117.41
Canadian dollar	1.5584	1.5498	1.5408	Swiss franc	1.3713	1.3664	1.3625
Deutsche mark	1.6728	1.6702	1.6682				

Sources: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Ottawa); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	4⅝ - 5	3⅞ - 3½	1 - 1⅛	6⅝ - 7	3⅞ - 3⅞	⅛ - ⅜	3⅞ - 3⅞
3-month	5⅛ - 5¼	3⅞ - 3⅞	1⅛ - 1⅛	6⅝ - 6⅝	3½ - 3⅝	½ - ⅝	3⅞ - 3⅞
6-month	5 - 5⅛	3⅞ - 3⅞	1⅛ - 1½	6⅛ - 6⅛	3⅞ - 3⅞	½ - ⅝	3⅞ - 3⅞
1-year	4⅞ - 5	3⅞ - 3⅞	1⅛ - 1⅛	6⅛ - 6⅛	3⅞ - 3⅞	½ - ⅝	3⅞ - 3⅞

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Today	Prev
Discount rate	4½	4½
Prime rate	8.00	8.00
Federal funds	4.00	3¾
90-day CDs (dealt)	5.17	5.15
180-day CP (dealt)	4.79	4.85
MTL 30-day R-A	4.69	4.69

	Price	Yield	Prev
3-month T-bill	4.33	4.43	4.43
1-year T-bill	4.34	4.54	4.52
2-year T-note	98-25	4.64	4.61
5-year T-note	98-12	4.61	4.58
7-year T-note	114-01	4.86	4.83
10-year T-note	99-07	4.85	4.85
30-year T-bond	100-02	5.34	5.25

Japan	Close	Prev
Discount rate	0.50	0.50
Call money	0.17	0.19
1-month interbank	0.60	0.60
3-month interbank	0.65	0.65
6-month interbank	0.67	0.67
10-year Govt bond	0.88	0.86

Germany		
Lombard rate	4.50	4.50
Call money	3.43	3.46
1-month interbank	3.52	3.52
3-month interbank	3.68	3.68
6-month interbank	3.61	3.61
10-year Bund	4.03	4.06

Britain		
Bank base rate	6¾	6¾
Call money	6⅝	7⅛
1-month interbank	6⅝	6⅝
3-month interbank	6⅛	6⅛
6-month interbank	6⅛	6⅛
10-year Gilt	4.80	4.90

France		
Intervention rate	3.30	3.30
Call money	3⅛	3⅛
1-month interbank	3⅛	3⅛
3-month interbank	3⅛	3⅛
6-month interbank	3⅛	3⅛
10-year OAT	4.14	4.19

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	295.75	—0.75
London	297.85	296.35	—0.15
New York	298.10	296.10	—2.10

U.S. dollars per ounce. London official fixings: Zurich and New York opening and closing prices: New York Comex (Dec.)
Source: Reuters.

Deutsche Bank Forms On-Line Trades Venture

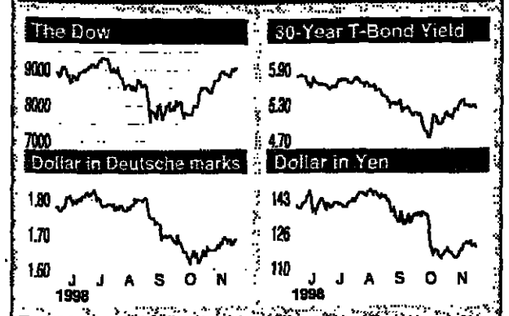
Bloomberg News

OMAHA, Nebraska — Ameritrade Holding Corp., an on-line trading company, and Deutsche Bank AG, the biggest German bank, said Thursday they had formed a joint venture to allow customers to trade on-line in European and U.S. securities markets.

With the agreement, Ameritrade's U.S. customers will be able to buy and sell about 200 German stocks and selected European shares through Deutsche Bank, while Deutsche Bank's on-line customers will be able to buy and sell stocks of U.S. companies through Ameritrade.

The two companies expect the service to begin operations by the end of March, said Neil Benedict, vice president for international development at Ameritrade.

Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
U.S.	The Dow	9056.05	9041.11	+0.17
U.S.	S&P 500	1152.61	1144.48	+0.71
U.S.	S&P 100	568.62	564.63	+0.71
U.S.	NYSE Composite	566.75	563.46	+0.58
U.S.	Nasdaq Composite	1919.66	1897.44	+1.17
U.S.	AMEX Composite	673.22	667.85	+0.80
Toronto	TSE Index	6439.60	6343.80	+1.52
São Paulo	Bovespa	8347.59	8547.07	-2.58
Mexico City	Bolsa	3996.62	4058.24	-1.51
Buenos Aires	Merval	483.60	477.93	+1.19
Santiago	IPSA General	3854.28	3767.49	+2.30
Caracas	Capital General	3897.83	3809.57	+2.32

Source: Bloomberg, Reuters International Herald Tribune

Microsoft Starts to Sell Stake in RealNetworks

Compiled by Our Staff From Dispatches

SEATTLE — Microsoft Corp. began Thursday to sell its 10 percent stake in RealNetworks Inc., whose chairman complained before a Senate hearing this summer that Microsoft had tried to "break" his Internet multimedia software.

Microsoft denied that spite was the motive for the sale, but it acknowledged that its relationship with RealNetworks had soured.

"I think it's fair to characterize it as a fairly rocky relationship for some time," Anthony Bay, general manager of Microsoft's Commercial Systems Division, said this week.

The decision to sell will result in a profit for Microsoft. It paid about $30 million for its stake in RealNetworks in July 1997, and the stock is now worth about $140 million.

RealNetworks shares fell $4.75 to close at $38.125 on the Nasdaq stock market, while Microsoft climbed $2 to $111.75.

RealNetworks is the market leader in technology used to send sound and video over the Internet. It competes directly with Microsoft's Windows Media Player. RealNetworks says it has about an 85 percent share of the market.

Microsoft took the stake in RealNetworks in July 1997. At the time, the software powerhouse said it would work with RealNetworks to ensure that Microsoft's Netshow streaming software worked with RealNetworks' RealAudio and RealVideo software, which Microsoft licensed. Streaming technology allows users to see and hear audio and video sent over the Internet.

But in July, Rob Glaser, RealNetworks' chairman and founder, told a U.S. Senate committee that Microsoft's video-streaming software had been designed to "break" RealNetworks' software.

Mr. Glaser, a former Microsoft executive, said some consumers found that his company's product did not work once they downloaded Microsoft's video-streaming software.

Mr. Glaser is one of a string of executives — including representatives of Netscape Communications Corp. and Apple Computer Inc. testifying at the government's antitrust trial of Microsoft — who have alleged that the software giant wrote software to be incompatible with their products. Microsoft denies the allegations.

Microsoft engineers said a bug in RealNetworks' software caused the incompatibility, an argument supported by some industry experts who ran independent tests.

Microsoft said it would keep its license for the RealNetworks technology, which came with its 10 percent stake. But Mr. Glaser said the technology that Microsoft licensed had been rendered outdated in the "exploding" Internet market.

In the past three months, RealNetworks has disclosed other strategic alliances. In October, it linked up with International Business Machines Corp. to integrate audio and video into e-mail.

In September, RealNetworks licensed Intel Corp.'s streaming-video technology for use in its media player, and said America Online Inc. would distribute its software to AOL subscribers.

And Netscape has released a new version of its Internet browser that includes RealNetworks' multimedia software.

Mr. Bay said Microsoft's deal with RealNetworks set up a delicate relationship with the two companies working together in some areas and competing in others.

Before long, it was obvious the two companies were headed in different directions, Mr. Bay said.

"We ended up with sort of diverging business strategies," Mr. Bay said. "We had a combination of a competitive and cooperative relationship and the balance had sort of moved toward the competitive side." *(AP, Bloomberg)*

Yen Rises On Hopes For Tax Cut

Bridge News

NEW YORK — The dollar fell against the yen Thursday after Japanese politicians said they would consider additional steps to help pull the economy out of recession.

The governing Liberal Democratic Party said it had agreed to form a coalition with the Liberal Party, which is in favor of using deep tax cuts to pull the economy out of recession.

Prime Minister Keizo Obuchi said the party agreed with the Liberals' policies in principle, raising hopes that the coalition would agree to cut the 5 percent consumption tax, which many economists have said is stifling consumer spending and preventing a recovery.

FOREIGN EXCHANGE

"There was an incredible demand for the Japanese yen against both the dollar and the Deutsche mark," said Jeff Yu, senior trader at Sanwa Bank.

The government stopped short of saying the consumption tax would be cut, however. The secretary-general of the Liberal Democratic Party, Yoshiro Mori, said that for the moment, the LDP was committed only to using the proceeds of the tax to bolster welfare spending.

The dollar fell to 119.60 yen in 4 P.M. trading from 121.60 yen Wednesday.

Dealers said traders buying yen with marks also had pushed the dollar higher against the Deutsche mark and against most other European currencies.

The dollar rose to 1.6859 DM from 1.6766 DM and to 5.6555 French francs from 5.6185 francs. It also rose to 1.3867 Swiss francs from 1.3795 francs. The pound slipped to $1.6655 from $1.6707.

The Bundesbank's decision to leave rates unchanged after its policy-making council met also supported the dollar against the German currency. The dollar also got a lift from news that the Ifo research institute's index of Western German business confidence fell in October to its lowest level since December 1996.

Very briefly:

- **American Airlines Inc.** agreed to buy **Reno Air Inc.** for $124 million in cash as the second-largest U.S. carrier tries to re-establish its footing on the West Coast.
- **PanAmSat Corp.**, which suffered a much-publicized satellite failure this year, said battery problems in another satellite had caused service disruptions and could lead to customers canceling contracts but would not affect overall business.
- The chairman of the **U.S. Securities and Exchange Commission**, Arthur Levitt, condemned U.S. companies that reveal market-moving information to securities analysts before releasing it to the public, saying the practice was "cheating, and a stain upon our market."
- **Occidental Petroleum Corp.** plans to cut 500 more jobs over the next two years and reduce capital spending by 21 percent next year because it expects oil prices to remain low. The latest job cuts bring Occidental's three-year total of job eliminations to more than 1,000.
- **BMW Manufacturing Corp.** has suspended tours of the plant's South Carolina assembly line until next year to conceal preparations to build a new sport-utility vehicle, the X5.

Bloomberg, Reuters

Technology Stocks Keep Wall Street Afloat

Compiled by Our Staff From Dispatches

NEW YORK — Share prices rose Thursday, led by technology companies on optimism about the sector's growth prospects.

The Dow Jones industrial average closed 14.94 points higher at 9,056.05, and the Standard & Poor's 500 index ended 8.13 points higher at 1,152.61. Gaining issues outnumbered losing ones by a 4-to-3 ratio on the New York Stock Exchange. The strength of the technology sector showed up in the Nasdaq composite index, which rose 22.22 points to close at 1,919.66.

"The leadership is clearly the Internet stocks, and they will move higher," said Dan Veru, president of Awad & Associates.

Several recent initial public offerings of Internet issues have skyrocketed, and other stocks are rising on optimism that the year-end holiday season will bring a boom in on-line shopping.

Bluefly rose 3 7/16 to 11 5/16 after the Internet designer outlet store said it had signed an agreement to be a featured retailer on the Web site of Lycos.

Intel rose 3 to 112⅞ on signs that demand for personal computers would strengthen through year-end.

But gains in the broader market were limited by a report from the Federal Reserve Bank of Philadelphia that showed a decline in business at regional factories in November. It was the third straight month of decline, a sign that U.S. manufacturers are still suffering the effects of the global economic slowdown.

"Clearly, the Philadelphia manufacturing index report shows a continuing decline in activity, and that points to a near-term decrease in corporate earnings," said James Ellman, portfolio manager of AIM Global Financial Services Fund.

U.S. STOCKS

The report lifted Treasury bond prices because it suggested that there was little risk of inflation and more chance for further interest-rate cuts from the Federal Reserve Board.

The price of the benchmark 30-year issue closed 9/32 point higher at 100 4/32, sending the yield down to 5.24 percent from 5.25 percent Wednesday.

Analysts noted that trading volume during the recent stock rally had been light, a sign that investors may not be convinced that all the market turmoil was over.

"It's not a red flag yet, but it may be waving a little bit of a yellow flag in our face," said Charlie Crane, chief investment officer at Key Asset Management. "Things like the lowish volume and the speculative frenzy in Internet stocks are signs that are deserving of our respect." *(Reuters, Bloomberg, AP)*

Nymex and Oil Market Discuss Link

Bloomberg News

NEW YORK — The New York Mercantile Exchange and London's International Petroleum Exchange, for the second time in a year, said Thursday they were considering a merger that would create a monopoly in energy futures trading.

A merger would consolidate the Nymex's position as the world's leading energy market and would make it easier for the exchange to find new business overseas.

"It'll give the exchange a foothold in Europe and any time we have a chance to get into other businesses and clientele it's a good thing," said Michael Cardelfe, owner and president of Arb Oil Inc., the largest independent brokerage on the Nymex.

High-Tech Security: Look Here to Log On

By Paul Floren

International Herald Tribune

LAS VEGAS — They say the eyes are a window onto the soul. At Comdex this year, eyes can actually open windows.

IriScan Inc. of Marlton, New Jersey, has developed technology that identifies people by the patterns of their iris. Iris recognition rivals DNA tests in reliability, the company claims, and yet identifies an individual in seconds using a video-based imaging process.

The IriScan product can even differentiate between twins with identical DNA, said John Siedlarz, president of IriScan, who was showcasing his product at Comdex, the annual computer trade show in Las Vegas.

The main use for such "biometric identity" technology is for security. The focus right now is for business applications, and the price is supposed to come down to about $1,500 per unit by the first quarter of 1999, down from an initial price of $10,000.

"Security has always been password-oriented, and that's not good enough anymore with the Internet," said Frank Dzubeck, president of Communications Network Architects Inc., a consulting firm in Washington. "What we see today is the start of an entire industry based on biometric security."

IriScan software runs on any Windows-based personal computer. A tiny camera mounted on the side of a computer scans a user's iris before allowing the computer to be turned on or giving access to certain files or network privileges.

Biometrics is also advancing in voice-print technology. Veritel Corp. of America, based in Chicago, in a partnership with Ingram Micro Corp. of Santa Ana, California, has developed Voicecrypt, a program that identifies users by voice.

The Trib Index

Prices as of 4:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	%change	year to date %change
World Index	191.63	+1.99	+1.05	+11.34
Regional Indexes				
Asia/Pacific	90.00	+0.57	+0.64	—6.32
Europe	221.07	+3.42	+1.57	+14.52
N. America	267.11	+1.97	+0.74	+23.67
S. America	93.54	—1.75	—1.84	—38.73
Industrial Indexes				
Capital goods	270.58	+3.46	+1.30	+30.99
Consumer goods	240.77	+2.43	+1.02	+14.80
Energy	196.51	—0.62	—0.31	+0.80
Finance	130.53	+1.99	+1.55	+6.16
Miscellaneous	179.55	+4.73	+2.71	+19.80
Raw Materials	169.92	+0.46	+0.27	+1.60
Service	199.69	+1.92	+0.97	+14.56
Utilities	177.99	+0.83	+0.47	+6.66

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.

Compiled by Bloomberg News.

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	9039.83	9087.72	9010.99	9056.05	+14.94
Trans	2986.08	2986.08	2937.24	2956.88	-29.20
Util	309.27	310.38	307.53	308.34	-0.93
Comp	2807.34	2813.63	2791.44	2803.74	-4.22

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1366.62	1352.17	1366.59	1376.82
Transp.	646.38	633.24	645.74	643.35
Utilities	257.55	255.84	256.49	256.03
Finance	125.21	123.00	124.26	125.23
SP 500	1144.52	1133.07	1144.48	1152.61
SP 100	564.66	558.74	564.63	568.62

NYSE

	High	Low	Last	Chg.
Composite	567.36	563.45	566.73	+3.29
Industrials	709.38	703.89	708.35	+4.46
Transp.	438.56	433.86	437.10	-1.28
Utility	413.60	411.81	413.43	+0.97
Finance	503.18	499.32	502.84	+3.35

Nasdaq

	High	Low	Last	Chg.
Composite	1930.03	1904.00	1917.66	+22.22
Industrials	1193.27	1184.30	1190.37	+6.86
Banks	1855.86	1836.56	1848.91	+3.92
Insurance	1722.21	1668.09	1695.16	+33.40
Finance	2404.49	2388.26	2404.49	+15.51
Transp.	911.04	901.40	909.77	+5.38

AMEX

High	Low	Last	Chg.
673.91	667.73	673.22	+5.37

Dow Jones Bond

	Close	Chg.
20 Bonds	106.17	-0.14
10 Utilities	103.83	-0.06
10 Industrials	108.51	-0.23

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
AmOnline s	265359	90	83¾	83¾	—
Compaq s	109514	34⅛	33⅞	34	-⅜
Cendant	100588	14⅛	13¾	14⅛	+⅝
Citigrp	91895	44⅞	44	44⅝	+⅛
PhilMor	73979	55⅞	54⅞	55⅞	+¾
TelBrasil n	73683	½	⅜	¼	-⅛
Disney s	68243	28⅝	28⅛	28⅝	-⅝
Lucent s	66669	91¼	87⅞	87⅞	-1⅞
Iomega s	65223	8¼	8	8⅛	+⅛
Tandnsl s	60152	78⅛	74⅝	77¾	+5
HewlettPk	52180	59⅞	58⅞	59	-⅞
MediaOne	50873	38¾	37⅞	37⅞	-1⅜
DaimlrC n	49193	88⅞	87⅜	88	+3
WDigitl	48271	15⅛	13	14⅞	+1⅞
AT&T	47399	63⅞	61⅞	62¾	+1⅞

Nasdaq

	Vol.	High	Low	Last	Chg.
Netscpe	416014	45⅛	34⅛	36½	-2⅝
Intel	231168	115⅞	110¾	112⅞	+3
DellCptr s	197601	64⅛	62⅞	63	-⅛
MCI Wrld	175817	59⅞	56	58⅝	+3⅝
3Com	157193	40⅜	37⅝	39⅞	+⅞
Cisco s	140356	74⅛	72⅝	73⅞	+⅝
Danka	119722	3⅛	2⅞	2⅞	-1⅛
Microsft s	110212	112⅛	109⅞	111¾	+2¾
Novell	107413	16⅞	16⅛	16⅝	+⅜
Yahoo	181835	198¾	184½	185⅞	-4⅝
PairgTch	93633	12⅜	11	11⅛	-⅛
HBO s	81252	26⅛	25	25⅞	-⅞
Excite s	80202	57¼	50⅝	51⅞	-2¾
Comlntell	74636	2⅛	1⅝	1⅞	+⅛
Lycos s	74318	68¼	61½	62	-2¾

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	50966	115⅞	114¼	115⅛	+⅞
TWA	19638	5⅞	5⅝	5⅝	+⅛
WEB Jpn	15233	10⅛	10⅜	10⅛	+⅜
Phonetel	13606	¼	⅛	⅛	-⅛
Cabltrn s	11881	49½	48½	48¾	+⅛
FarstLb s	10252	48⅛	47⅞	47⅞	-⅛
FAusPr	10045	6	5⅞	6	—
ViacB	8077	68	66¼	67⅞	+1⅝
RoyalO g	7655	⅞	¾	¾	—
Nabors	6670	16¼	15⅛	15⅞	-⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1711	1514
Declined	1269	1545
Unchanged	549	488
Total issues	3529	3547
New Highs	74	51
New Lows	30	32

Nasdaq

	Close	Prev.
Advanced	1829	2044
Declined	1660	1935
Unchanged	1480	1373
Total issues	4969	5352
New Highs	65	63
New Lows	41	57

AMEX

	Close	Prev.
Advanced	261	270
Declined	304	289
Unchanged	175	169
Total issues	740	728
New Highs	11	9
New Lows	15	12

Market Sales

	Today 4:00	Prev. cons.
NYSE	674.33	807.08
Amex	28.40	36.47
Nasdaq	918.03	899.11

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Am Insur Mtg 85	–	.15	11-30	2-1
Am Insur Mtg 86	–	.05	11-30	2-1
Banco Colombia		b1.0626	11-25	12-11
Cross Timber Roy	–	.0806	11-30	12-14
Fst Eagle Fd C		c1.8403	11-18	11-18
c- also payable on class Y.				
Fst Eagle Intl Fd C		c1.0717	11-18	11-18
Permian Basin	–	.0039	11-30	12-14
San Juan Basin	–	.0322	11-30	12-14
Triax Diversified g	–	.10	11-30	12-15
STOCK SPLIT				
Time Warner 2 for 1 split.				
REVERSE STOCK SPLIT				
In Home Health 1 for 3 reverse split effective Nov. 27.				
INCREASED				
Campbell Soup	Q	.22	1-8	2-1
Community Bk VA	Q	.15	11-27	12-11
Fst Fin Cp IN	S	.44	12-8	1-4
Fst Midwest Bncp	Q	.24	12-25	1-25
Fst Virginia Bks	Q	.32	12-31	1-11
FstMerit Corp	Q	.18	11-30	12-21
Three Rivers Fin	Q	.115	12-14	1-4
OMITTED				
Fallbrook Ntl Bk		d		
d- eliminating cash dividends.				
REDUCED				
Allmerica Secs	Q	.20	11-30	12-31
Gaz Metro g	Q	.31	12-15	1-1
INITIAL				
CNA Surety	–	.08	12-1	12-28
REGULAR				
Chateau Common	–	.455	12-29	1-15
E'Town Corp	Q	.51	12-4	12-18
KeyCorp	Q	.235	12-1	12-15
Marsh McLennan	Q	.40	1-11	2-12
Natl Australia Bk		b1.6854	11-25	12-28
OGE Energy	Q	.3325	1-8	1-29
Ogden Corp	Q	.3125	12-14	1-6
Ohio Casualty	Q	.44	12-1	12-10
PacifiCorp	Q	.27	1-21	2-16
Public Svc Co NC	Q	.24	12-10	1-1
Quaker Chem	Q	.19	1-15	1-29
Regions Fincl	Q	.23	12-17	1-4
Shell Cda Ltd g	Q	.18	11-30	12-15
Shoreline Fin	Q	.17	12-4	12-15
Sonesta Intl	S	.15	12-16	1-4
Sterling Fincl	Q	.21	12-15	1-4
Wesbanco Inc	Q	.21	12-11	1-4
YPF SocAnonima	b	.22	11-25	11-30

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Nov. 19, 1998

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 98	223	218¾	220¼	-1	125,773
Mar 99	234½	230½	231¼	-1	116,299
May 99	242	238	239½	-¾	36,582
Jul 99	248	243½	245	-¾	45,091
Sep 99	252½	249	250	-1	7,037
Dec 99	257½	254½	256	-¾	20,502
Mar 00	264¼	262¼	264	-¾	524

Est. sales 3,000 Wed's sales 43,204
Wed's open int 352,174, off 30,125

SOYBEAN MEAL (CBOT)
100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Dec 98	149.30	145.50	146.70	-1.30	47,956
Jan 99	151.40	147.80	148.90	-1.30	31,183
Mar 99	155.50	152.00	152.70	-1.30	19,990
May 99	159.00	156.10	156.30	-1.10	11,042
Jul 99	162.20	159.50	159.70	-1.50	15,408
Aug 99	162.80	161.20	161.40	-1.20	2,754

Est. sales 26,000 Wed's sales 19,515
Wed's open int 134,909, up 886

SOYBEAN OIL (CBOT)
60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Dec 98	24.99	24.70	24.79	-0.10	34,270
Jan 99	25.08	24.85	24.94	-0.08	24,540
Mar 99	25.22	25.02	25.11	-0.05	22,704
May 99	25.32	25.09	25.21	-0.04	10,950
Jul 99	25.40	25.16	25.31	-0.02	13,458
Aug 99	25.31	25.20	25.31	-0.01	1,184

Est. sales 18,000 Wed's sales 18,282
Wed's open int 112,332, up 375

SOYBEANS (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jan 99	586½	578	582	-2½	78,626
Mar 99	595¼	587½	591	-2¼	29,516
May 99	603¾	596¼	599¼	-2¼	13,589
Jul 99	611½	604	608	-1½	18,724
Aug 99	612	607	608½	-1¾	1,370

Est. sales 46,000 Wed's sales 40,273
Wed's open int 142,006, up 2,030

WHEAT (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 98	294	287¾	291	-2	49,288
Mar 99	310½	306	307¾	-2	55,778
May 99	318¼	316	317¼	-1¾	7,509
Jul 99	329	325½	327¼	-1¾	19,007

Est. sales 22,000 Wed's sales 26,684
Wed's open int 133,288, up 23

Livestock

CATTLE (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 98	62.40	61.50	62.25	+0.25	32,264
Feb 99	63.15	62.30	63.12	+0.10	35,642
Apr 99	65.25	64.62	65.10	-0.02	20,704
Jun 99	63.85	63.30	63.75	+0.13	10,906
Aug 99	63.85	63.45	63.75	+0.25	6,482
Oct 99	66.55	66.35	66.50	+0.15	1,355

Est. sales 20,117 Wed's sales 11,489
Wed's open int 107,899, off 900

FEEDER CATTLE (CMER)
50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Nov 98	69.05	69.00	69.00	-0.12	1,412
Jan 99	71.45	70.50	71.20	+0.15	4,962
Mar 99	71.85	70.95	71.37	+0.07	2,359
Apr 99	72.40	71.65	72.00	-0.05	909
May 99	73.10	72.60	73.00	-0.10	1,030
Aug 99	74.05	73.85	74.05	-0.05	417

Est. sales 1,503 Wed's sales 1,864
Wed's open int 11,206, up 19

HOGS-Lean (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 98	31.17	30.50	30.62	-0.05	15,029
Feb 99	39.47	37.92	38.05	-1.02	14,176
Apr 99	43.40	41.37	41.75	-1.47	5,261
Jun 99	53.60	52.30	52.42	-1.13	3,410
Jul 99	54.50	53.65	53.65	-0.85	1,784

Est. sales 14,607 Wed's sales 8,116
Wed's open int 42,549, up 207

PORK BELLIES (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 99	44.65	43.50	43.87	unch.	4,256
Mar 99	44.25	43.40	43.67	+0.15	539
May 99	45.75	45.15	45.22	unch.	339

Est. sales 1,557 Wed's sales 1,408
Wed's open int 5,317, up 69

Food

COCOA (NCSE)
10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Dec 98	1476	1465	1467	-16	2,162
Mar 99	1508	1494	1495	-21	42,434
May 99	1533	1521	1521	-20	11,461
Jul 99	1559	1546	1546	-20	2,709
Sep 99	1582	1573	1573	-19	3,480
Dec 99	1612	1603	1603	-19	5,269

Est. sales 4,000 Wed's sales 2,120
Wed's open int 71,916, up 150

COFFEE C (NCSE)
37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 98	111.25	108.75	110.95	+0.35	1,915
Mar 99	110.50	108.20	110.05	+0.05	18,532
May 99	111.00	108.80	110.05	-0.45	5,159
Jul 99	110.50	110.00	110.50	-0.88	2,152
Sep 99	111.50	111.00	111.25	-0.85	1,474

Est. sales 6,740 Wed's sales 8,679
Wed's open int 38,079, off 958

SUGARWORLD 11 (NCSE)
112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 99	8.48	8.32	8.33	-0.13	84,310
May 99	8.55	8.43	8.44	-0.09	18,329
Jul 99	8.57	8.45	8.45	-0.11	17,529
Oct 99	8.73	8.64	8.64	-0.06	12,592

Est. sales 17,603 Wed's sales 12,421
Wed's open int 142,531, up 2,707

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 99	118.50	116.80	117.25	+0.75	12,872
Mar 99	120.90	119.35	119.85	+0.60	5,971
May 99	122.25	121.70	121.70	+0.45	1,442
Jul 99	124.25	123.60	123.60	+0.35	850

Est. sales N.A. Wed's sales 1,863
Wed's open int 21,746, up 132

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Nov 98			295.80	-2.00	3
Dec 98	298.90	296.00	296.10	-2.10	48,627
Jan 99			297.10	-2.10	3
Feb 99	301.20	298.00	298.10	-2.20	28,111
Apr 99	303.20	300.00	300.00	-2.30	16,755
Jun 99	304.80	301.70	301.70	-2.30	14,413
Aug 99			303.30	-2.40	5,802
Oct 99	305.60	304.90	304.90	-2.40	2,365
Dec 99	309.00	306.50	306.50	-2.50	10,868

Est. sales N.A. Wed's sales 50,921
Wed's open int 156,795, up 3,284

HI GRADE COPPER (NCMX)
25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Nov 98	71.60	70.90	71.00	-0.55	751
Dec 98	72.00	70.90	71.15	-0.60	30,164
Jan 99	71.80	71.45	71.45	-0.60	2,471
Feb 99	71.80	71.65	71.80	-0.60	1,387
Mar 99	72.80	72.00	72.10	-0.60	15,926
Apr 99	72.90	72.40	72.40	-0.60	1,262
May 99	73.10	72.70	72.75	-0.60	3,833
Jun 99	73.65	73.00	73.00	-0.60	1,047
Jul 99	73.80	73.15	73.15	-0.65	3,450

Est. sales N.A. Wed's sales 9,922
Wed's open int 70,579, up 72

SILVER (NCMX)
5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Nov 98			494.2	-2.2	60
Dec 98	501.0	494.0	495.0	-2.2	33,641
Jan 99			497.2	-2.2	88
Mar 99	506.5	500.0	500.7	-2.2	22,981
May 99	507.0	503.5	503.5	-2.1	5,110
Jul 99	507.0	503.5	505.9	-2.1	5,493
Sep 99			507.8	-2.1	1,369
Dec 99	514.0	510.0	510.0	-1.9	4,846

Est. sales N.A. Wed's sales 14,327
Wed's open int 76,988, off 816

PLATINUM (NMER)
50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 99	363.00	354.50	362.30	+9.90	14,360
Apr 99	362.30	359.00	362.30	+8.90	616
Jul 99			363.70	+8.90	195
Oct 99			365.00	+8.90	993

Est. sales N.A. Wed's sales 2,066
Wed's open int 16,165, up 176

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1297.00	1298.00	1303½	1304½
Forward	1307.00	1308.00	1317.00	1317½
Copper Cathodes (High Grade)				
Spot	1568½	1569½	1572½	1573½
Forward	1594½	1595½	1599.00	1600.00
Lead				
Spot	504½	505½	500.00	501.00
Forward	502½	503.00	501.00	501½
Nickel				
Spot	4175.00	4185.00	4170.00	4180
Forward	4245.00	4250.00	4240.00	4250
Tin				
Spot	5495.00	5505.00	5440.00	5450.00
Forward	5460.00	5470.00	5405.00	5410.00
Zinc (Special High Grade)				
Spot	967.00	968.00	965½	966½
Forward	984.00	985.00	983.00	984.00

Financial

	High	Low	Close	Chge	Op Int

US T BILLS (CMER)
$1 million- pts of 100 pct.

	High	Low	Close	Chge	Op Int
Dec 98	95.74	95.71	95.71	-0.02	1,629
Mar 99	95.99	95.94	95.94	-0.05	360
Jun 99			96.10	unch.	30

Est. sales 87 Wed's sales 96
Wed's open int 2,019, off 1

5 YR TREASURY (CBOT)
$100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Op Int
Dec 98	113-05	112-44	112-46	- 16	287,989
Mar 99	113-24	113-08	113-07	- 16	68,669
Jun 99			113-57	- 16	125

Est. sales 99,999 Wed's sales 116,634
Wed's open int 356,684, up 2,149

10 YR TREASURY (CBOT)
$100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Op Int
Dec 98	118-22	118-07	118-09	- 06	394,400
Mar 99	118-27	118-18	118-18	- 06	128,924
Jun 99			118-05	- 05	2,802

Est. sales 130,000 Wed's sales 252,014
Wed's open int 526,138, up 21,947

US TREASURY BONDS (CBOT)
(8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Op Int
Dec 98	128-04	127-17	127-27	unch.	611,638
Mar 99	127-26	127-09	127-18	unch.	230,922
Jun 99	127-06	127-00	127-07	+ 01	3,348
Sep 99			126-18	+ 01	4,400

Est. sales 400,000 Wed's sales 622,967
Wed's open int 850,563, up 40,298

LONG GILT (LIFFE)
£50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Op Int
Dec 98	116.48	116.22	116.24	—0.10	112,902
Mar 99	116.57	116.42	116.41	—0.09	6,613

Est. sales: 44,419. Prev. sales: 45,985
Prev. open int.: 120,515 up 3,342

GERMAN GOV. BUND (LIFFE)
DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Op Int
Dec 98	N.A.	N.A.	113.68	+ 0.37	4,269

Est. sales: n.a. Prev. sales: 0
Prev open int.: n.a.

10-YEAR FRENCH GOV. BONDS (MATIF)
FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	110.08	109.63	110.07	+ 0.41	87,856

Est. sales: 56,565
Open int.: 87,856 off 4,332

ITALIAN GOVERNMENT BOND (LIFFE)
ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	N.A.	N.A.	111.70	+ 0.33	56,475
Mar 99	N.A.	N.A.	111.72	+ 0.42	5,526

Est. sales: n.a. Prev. sales: 34,275
Prev. open int.: 62,001 up 6,226

LIBOR 1-MONTH (CMER)
$3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Dec 98	94.63	94.60	94.62	+0.01	13,149
Jan 99	95.06	95.04	95.04	-0.03	6,266
Feb 99	95.13	95.10	95.10	-0.05	2,760

Est. sales 1,672 Wed's sales 2,009
Wed's open int 24,444, off 11,470

EURODOLLARS (CMER)
$1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Dec 98	94.84	94.80	94.81	-0.03	463,238
Jan 99	95.05	95.02	95.02	-0.04	12,173
Feb 99	95.11	95.07	95.07	-0.06	3,258
Mar 99	95.16	95.11	95.12	-0.07	509,030
Apr 99			95.15	-0.05	688
May 99	-	-	95.17	-0.05	
Jun 99	95.23	95.13	95.14	-0.07	419,540
Sep 99	95.22	95.11	95.13	-0.08	330,215
Dec 99	95.03	94.91	94.91	-0.10	277,058
Mar 00	95.12	95.03	95.03	-0.07	213,974

Est. sales 455,934 Wed's sales 589,513
Wed's open int 3,249,246, off 43,029

BRITISH POUND (CMER)
62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Dec 98	1.6700	1.6634	1.6646	-0.0024	49,205
Mar 99	1.6650	1.6570	1.6588	-0.0022	1,840
Jun 99			1.6532	-0.0028	1,202

Est. sales 4,105 Wed's sales 6,981
Wed's open int 52,248, off 513

CANADIAN DOLLAR (CMER)
100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Dec 98	.6466	.6436	.6457	+0.0016	56,812
Mar 99	.6479	.6440	.6460	+0.0016	3,880
Jun 99	.6468	.6450	.6463	+0.0016	1,664

Est. sales 4,649 Wed's sales 5,000
Wed's open int 63,345, up 297

GERMAN MARK (CMER)
125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Dec 98	.5990	.5926	.5932	-0.0041	96,579
Mar 99	.6001	.5951	.5956	-0.0041	1,896
Jun 99			.5977	-0.0041	1,170

Est. sales 14,842 Wed's sales 14,945
Wed's open int 99,771, off 1,109

JAPANESE YEN (CMER)
12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Dec 98	.8470	.8203	.8359	+.0106	76,005
Mar 99	.8561	.8320	.8471	+.0108	5,030
Jun 99	.8650	.8571	.8571	+.0110	2,252

Est. sales 20,782 Wed's sales 8,307
Wed's open int 85,531, off 1,109

SWISS FRANC (CMER)
125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Dec 98	.7298	.7212	.7221	-0.0048	38,966
Mar 99	.7355	.7280	.7285	-0.0050	502
Jun 99			.7344	-0.0050	23

Est. sales 10,814 Wed's sales 8,367
Wed's open int 39,491, up 1,499

MEXICAN PESO (CMER)
500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Dec 98	.09950	.09890	.09902	+.00010	16,921
Mar 99	.09315	.09272	.09272	+0.00005	6,508
Jun 99			.08772	+.00015	2,159

Est. sales 1,796 Wed's sales 1,444
Wed's open int 25,871, up 122

3-MONTH STERLING (LIFFE)
£500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	93.250	93.210	93.220	—0.010	201,140
Mar 99	93.808	93.760	93.780	Unch.	164,814
Jun 99	94.180	94.120	94.150	Unch.	144,090
Sep 99	94.350	94.290	94.315	—0.005	144,426
Dec 99	94.320	94.270	94.295	—0.005	142,447
Mar 00	94.370	94.320	94.350	+0.010	113,531
Jun 00	94.350	94.300	94.330	+0.010	82,198
Sep 00	94.290	94.250	94.280	+0.010	56,358
Dec 00	94.230	94.200	94.220	+0.010	38,557

Est. sales: 81,322. Prev. sales: 96,402
Prev. open int.: 1,147,299 up 6,204

3-MONTH EUROMARK (LIFFE)
DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	96.400	96.370	96.375	—0.020	518,963
Jan 99	96.525	96.515	96.515	Unch.	6,340
Mar 99	96.620	96.590	96.600	—0.005	508,572
Jun 99	96.670	96.640	96.650	Unch.	372,484
Sep 99	96.675	96.640	96.655	+0.010	283,003
Dec 99	96.520	96.480	96.490	Unch.	203,793
Mar 00	96.630	96.590	96.610	+0.010	211,513
Jun 00	96.545	96.515	96.540	+0.015	150,461
Sep 00	96.460	96.425	96.445	+0.010	93,297
Dec 00	96.300	96.280	96.295	+0.015	34,486
Mar 01	96.280	96.250	96.275	+0.005	40,475

Est. sales: 246,324. Prev. sales: 202,745
Prev. open int.: 2,471,061 up 21,844

3-MONTH PIBOR (MATIF)
FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	96.43	96.41	96.41	—0.01	61,026
Mar 99	96.61	96.58	96.59	+ 0.01	47,062
Jun 99	96.66	96.64	96.65	+ 0.02	24,517
Sep 99	96.66	96.64	96.64	+ 0.02	16,457
Dec 99	96.51	96.49	96.50	+ 0.02	11,991
Mar 00	96.40	96.40	96.40	+ 0.03	7,277
Jun 00	96.54	96.54	96.54	+ 0.04	3,828
Sep 00	96.45	96.45	96.45	+ 0.04	2,155

Est. sales: 7,225
Open int.: 172,376 off 1,116

3-MONTH EUROLIRA (LIFFE)
ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 98	96.330	96.300	96.320	Unch.	172,172
Mar 99	96.610	96.570	96.595	—0.005	255,278
Jun 99	96.660	96.630	96.645	+0.005	75,336
Sep 99	96.650	96.630	96.640	+0.010	45,882
Dec 99	96.480	96.470	96.488	Unch.	40,027
Mar 00	96.610	96.590	96.600	+0.015	54,845

Est. sales: 20,269. Prev. sales: 35,742
Prev. open int.: 707,392 off 6,046

Industrials

COTTON 2 (NCTN)
50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 98	65.70	64.50	64.57	-0.83	12,529
Mar 99	64.95	63.70	63.74	-0.66	35,059
May 99	65.50	64.30	64.31	-0.71	15,094
Jul 99	66.10	65.00	65.01	-0.69	11,725
Oct 99	67.20	65.90	65.90	-0.75	1,008

Est. sales N.A. Wed's sales 24,149
Wed's open int 86,655, off 1,581

HEATING OIL (NMER)
42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Dec 98	35.60	34.65	34.77	+0.06	40,881
Jan 99	36.90	36.10	36.24	+0.01	50,252
Feb 99	38.15	37.15	37.29	-0.04	29,849
Mar 99	38.70	37.90	37.99	-0.09	21,746
Apr 99	38.90	38.49	38.49	-0.09	11,140
May 99	39.45	39.09	39.09	-0.09	8,155
Jun 99	40.25	39.69	39.69	-0.09	9,887

Est. sales N.A. Wed's sales 58,744
Wed's open int 199,845, up 1,610

LIGHT SWEET CRUDE (NMER)
1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Dec 98	12.55	12.00	12.05	+0.09	34,087
Jan 99	12.98	12.68	12.70	-0.06	120,023
Feb 99	13.30	13.05	13.05	-0.07	53,477
Mar 99	13.65	13.42	13.45	-0.01	35,847
Apr 99	13.91	13.73	13.75	Unch.	17,752
May 99	14.19	14.03	14.10	+0.07	16,746

Est. sales N.A. Wed's sales 229,620
Wed's open int 503,731, off 2,946

NATURAL GAS (NMER)
10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Dec 98	2.235	2.165	2.213	+0.009	39,874
Jan 99	2.345	2.280	2.324	-0.002	45,973
Feb 99	2.310	2.250	2.290	-0.015	24,188
Mar 99	2.255	2.205	2.230	-0.010	20,255
Apr 99	2.190	2.160	2.180	-0.002	13,437
May 99	2.165	2.150	2.168	-0.002	10,764

Est. sales N.A. Wed's sales 79,534
Wed's open int 244,109, up 2,516

UNLEADED GASOLINE (NMER)
42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Dec 98	37.95	37.00	37.73	+0.53	27,015
Jan 99	39.20	38.70	39.03	+0.42	26,921
Feb 99	40.30	40.00	40.23	+0.38	6,418
Mar 99	41.35	41.25	41.53	+0.35	6,230
Apr 99	44.75	44.50	44.83	+0.35	8,538
May 99	45.60	45.45	45.73	+0.43	7,090
Jun 99	46.20	46.10	46.23	+0.48	2,704
Jul 99			46.48	+0.53	5,484

Est. sales N.A. Wed's sales 53,541
Wed's open int 93,884, up 277

GASOIL (IPE)
U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Dec 98	105.75	102.75	104.00	+1.25	53,042
Jan 99	110.00	108.25	108.75	+1.75	26,602
Feb 99	113.25	111.75	112.50	+2.00	20,333
Mar 99	115.25	114.25	114.75	+1.75	12,523
Apr 99	117.50	116.75	117.00	+1.50	6,797
May 99	N.T.	N.T.	119.25	+1.50	2,708

Est. sales: 18,700. Prev. sales: 15,667
Prev. open int.: 160,256 up 639

BRENT OIL (IPE)
U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Jan 99	11.73	11.42	11.49	—0.06	96,428
Feb 99	12.07	11.78	11.87	—0.03	31,333
Mar 99	12.34	12.12	12.18	—0.01	21,489
Apr 99	12.59	12.40	12.47	Unch.	14,741
May 99	12.84	12.71	12.75	+0.02	9,458
Jun 99	13.09	12.94	13.02	+0.04	18,308
July 99	13.32	13.20	13.25	+0.05	5,855

Est. sales: 41,500. Prev. sales: 66,265
Prev. open int.: 245,305 off 169

Stock Indexes

SP COMP. INDEX (CMER)
250 x index

	High	Low	Latest	Chge	Opint
Dec 98	1158.80	1147.20	1153.90	+3.90	376,043
Mar 99	1169.00	1159.00	1166.00	+5.10	17,333
Jun 99	1172.50	1172.50	1172.50	+1.40	4,524

Est. sales N.A. Wed's sales 85,381
Wed's open int 479,809, off 6,496

FTSE 100 (LIFFE)
£25 per index point

	High	Low	Latest	Chge	Opint
Dec 98	5649.0	5493.0	5630.0	+135.0	188,314
Mar 99	5664.0	5625.5	5676.0	+135.5	16,216
Jun 99	5620.0	5620.0	5721.0	+135.0	10,240

Est. sales: 27,802. Prev. sales: 27,223
Prev. open int.: 214,770 off 570

CAC 40 (MATIF)
FF200 per index point

	High	Low	Latest	Chge	Opint
Nov 98	3718.0	3628.0	3713.0	+101.0	[illegible]
Dec 98	3726.0	3649.0	3722.0	+101.5	[illegible]
Mar 99	3724.5	3706.5	3740.5	+102.0	[illegible]
Sep 99	N.T.	N.T.	3735.0	+102.0	[illegible]
Mar 00	3748.5	3748.5	3792.5	+102.5	6,180
Sep 00	3773.5	3773.5	3784.0	+104.0	750

Est. sales: 77,000
Open int.: 345,317 off 1,811

Commodity Indexes

	Close	Previous
Moody's	1,196.50	1,196.00
Reuters	1,470.90	1,474.30
D.J. Futures	123.50	122.92
CRB/Bridge Futures	200.26	201.03

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

AMEX

Thursday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Telecom Italia's 'High-Tech Junkie'

ENI's Turnaround Artist Takes Over at Troubled Phone Giant

By Yaroslav Trofimov

Bloomberg News

ROME — Franco Bernabe, who took over Thursday as chief executive of Telecom Italia SpA, knows more about turnarounds than about telephones.

Mr. Bernabe, 50, comes to Telecom Italia, Italy's biggest company, from the state-run Ente Nazionale Idrocarburi SpA, Europe's No. 3 oil company. In six years as chief executive, Mr. Bernabe took ENI public and made it profitable by selling marginal units, setting up foreign alliances and slashing costs. He faces similar challenges at Telecom Italia.

Italy's dominant telephone-service provider misled investors about its earnings and suffered from management infighting as alliances unraveled in the year since the state sold control. Investors now expect Mr. Bernabe's management talent to outweigh his lack of experience in telecommunications.

"Bernabe has already shown he can transform an Italian state dinosaur into one of the world's most efficient oil companies, and we hope he can pull it off again," said Marco Fontana, a fund manager at Royal & Sun Alliance Fondi in Milan.

Since last Thursday, when speculation surfaced that Mr. Bernabe would be named chief executive, ENI's stock has risen 8.8 percent. Shares in the former state telephone monopoly, which was sold to the public in October 1997, fell 22 percent in the next 12 months before rallying 51 percent on hopes that a new CEO would put things right. The stock closed Thursday in Milan at 12,880 lire ($7.59), up 310.

Mr. Bernabe said in a Italian newspaper interview that he had been attracted by the "challenge" of repeating his ENI performance at Telecom Italia.

"At 50, a man has to change a wife or a job — and I'm very fond of my wife," he said.

Mr. Bernabe's friends call the executive a "high-tech junkie" because of his passion for the Internet and for introducing new technology to raise productivity.

Mr. Bernabe owes his new job to the Italian Treasury, which is Telecom Italia's biggest shareholder, with a 5 percent stake, and owns 37 percent of ENI, where it appoints the majority of board members.

Treasury Minister Carlo Azeglio Ciampi announced Mr. Bernabe's new job Saturday, while Telecom Italia's board formally made him chief executive with "wide-ranging management powers" Thursday.

The government feared that future sales of state companies would be undermined after Telecom Italia's stock plunge last month left its 1.5 million retail investors counting losses a year after taking part in the nation's biggest state-asset sale.

Telecom Italia, the world's eighth-largest phone company, trails its rivals in forging alliances with foreign partners. Planned links with AT&T Corp., Cable & Wireless PLC and Unisource NV all collapsed this year amid concern about the stability of Telecom Italia's management, even as rivals such as Deutsche Telekom AG and France Telecom SA encroached on the company's turf in Italy.

At Telecom Italia, Mr. Bernabe will find a restructuring agenda already in place similar to the one he implemented at ENI. In September, the phone company announced plans to sell telecommunications equipment, cable, insurance and real-estate units, slash 8,000 jobs and cut costs.

Last month, Telecom Italia's top management warned labor unions that 1999 profit might decline, then denied the report when it was leaked to the press, and finally had to acknowledge its authenticity.


The Associated Press

Franco Bernabe, Telecom Italia's new chief executive.

French Bank Posts a Gain

Compiled by Our Staff From Dispatches

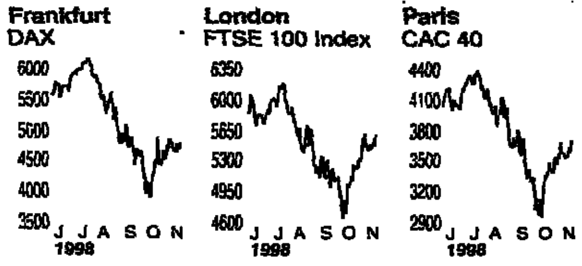
PARIS — Societe Generale posted a slight increase in nine-month profit Thursday despite the impact of trading in Russia and Asia, and the second-biggest bank in France said the worst impact from emerging markets had passed.

The bank's shares rose sharply, finishing on the Paris Bourse at 780 francs ($138.83), up 35.

Operating profit was 11.6 billion francs in the period that ended Sept. 30, up from 11.4 billion francs a year earlier.

Any third-quarter losses in Asia and Russia could be mostly covered by what had been set aside from first-half profit, the bank said, with only limited further adjustments likely for commitments in Malaysia, Thailand and Indonesia "unless the situation deteriorates." In the first half, 7.3 billion francs were set aside for losses on assets, including 3.1 billion francs for Asia and 2.5 billion francs for Russia. *(AFX, Bloomberg)*

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	1,073.16	1,053.60	+1.86
Brussels	BEL-20	3,175.09	3,155.05	+0.64
Frankfurt	DAX	4,795.69	4,698.72	+2.06
Copenhagen	Stock Market	603.74	604.98	-0.20
Helsinki	HEX General	4,650.52	4,511.86	+3.07
Oslo	OBX	501.31	495.23	+1.23
London	FTSE 100	5,606.20	5,474.00	+2.42
Madrid	Stock Exchange	813.59	793.34	+2.55
Milan	MIBTEL	21177	20775	+1.94
Paris	CAC 40	3,705.76	3,612.50	+2.61
Stockholm	SX 16	3,756.56	3,707.08	+1.33
Vienna	ATX	1,100.48	1,106.34	-0.53
Zurich	SPI	4,394.97	4,310.52	+1.94

Source: Telekurs

International Herald Tribune

An Iranian Barbie?

Bloomberg News

TEHRAN — The government said Thursday it would make brother-and-sister dolls called Sara and Dara to replace Mattel Inc.'s "culturally invasive" Barbie and Ken dolls.

Iran will introduce the dolls in February on the 20th anniversary of the Islamic revolution, the official Iranian press agency, IRNA, reported. Barbie and Ken were banned from Iran in 1996. "Sara and Dara will reflect strict Iranian society," IRNA quoted Majid Qaderi of Iran's Institute for Intellectual Development of Children as saying.

Although Barbie and Ken were marketed as "friends," Sara and Dara will be sister and brother to conform to Islamic laws on socializing between men and women.

France Telecom's Share Issue Is Oversubscribed

Compiled by Our Staff From Dispatches

PARIS — More than a million small shareholders have reserved shares in the second portion of the privatization of France Telecom SA, Finance Minister Dominique Strauss-Kahn said Thursday.

"The operation is proceeding in the best way possible," and the number of requests for shares exceeds expectations, Mr. Strauss-Kahn said. The share issue for institutional investors is oversubscribed, he said.

France Telecom and the French government are selling 41 billion francs ($7.34 billion) of new and existing shares in the company. The sale, including existing shares sold by the state, new shares and convertible bonds, is intended to help France Telecom fund international expansion and indirectly reduce the French government budget deficit.

More than 4 million individual investors bought shares last October when the government sold about 25 percent of France Telecom ahead of the opening of the European Union telecommunications market to competition in January.

The new share flotation, to be coupled with a 5 percent capital increase and the sale of a 2 percent stake to Deutsche Telekom AG, will allow the government to reduce its stake in the company to 62 percent from 75 percent. The sale is expected to bring 26 billion francs into government coffers.

Shares were offered to small shareholders at 182 francs last year, and the price soared, peaking at 489.50 francs in August.

They have since fallen, but on Thursday they closed in Paris at 404.90, up 14.80, still more than double the original issue price.

But Deutsche Telekom is suffering from the arrival of competition and said Wednesday that it would cut prices to curb a loss in long-distance income. *(AFP, Bloomberg)*

Very briefly:

- **KPN NV**, a Dutch telecommunications company, plans to team up with **Qwest Communications International Inc.** of the United States to build and operate a high-capacity European fiber-optic network linked to Qwest's North American backbone. The venture would propel KPN into the market for carrying Internet communications.
- **Storehouse PLC** reported flat first-half earnings and warned that full-year profit would be down. The British retailer said pretax profit for the period ended Oct. 10 was unchanged at £38.7 million ($64.8 million) as total sales rose 2 percent, to £648.3 million.
- **Merck KGaA** plans to take over **CN Biosciences Inc.** of the United States in an offer valued at about $150 million. The German pharmaceuticals company also said sales in the first three quarters of 1998 rose 3.1 percent, to 6.1 billion Deutsche marks ($3.66 billion), helping net profit climb 43.5 percent, to 548 million DM.
- **Nokia Oy** said a fire at one of its plants in northern Finland would not stop the production of mobile phones or networks, although it said the production of fixed phone networks would be halted for a few days. *Bloomberg, Reuters*

WORLD STOCK MARKETS

Thursday, Nov. 19

Daily prices in local currencies.

Telekurs

Amsterdam

AEX index: 1073.16
Previous: 1053.60
www.aex.nl

	High	Low	Close	Prev.
ABN-AMRO	38.10	36.90	37.80	37.30
Aegon	193.90	187.50	191.50	187.10
Ahold	66.30	65.10	65.80	65.00
Akzo Nobel	72.60	69.40	71.30	70.00
ASM Litho.	52.10	50.00	51.60	49.80
ASR Verz.	158.50	151.00	156.00	154.50
Baan Co.	23.30	21.10	22.70	21.10
Bols Wess cva	24.00	23.60	23.80	24.00
Buhrmann	32.90	32.10	32.30	32.60
Cap Gemini	124.70	122.60	122.80	123.50
CSM cva	92.80	92.50	92.50	92.70
Dordtsche Pet	79.90	78.60	79.20	79.80
DSM	174.30	172.30	173.20	173.20
Elsevier	26.00	24.80	25.90	25.00
Fortis Amev	128.60	126.50	128.10	127.30
Getronics	80.60	79.00	80.10	79.50
Hagemeyer	65.90	62.10	64.90	61.90
Heineken	103.70	100.60	103.00	100.90
Hoogovens cva	55.50	53.80	54.20	55.10
Hunt Douglas	67.90	66.60	67.00	66.00
IHC Caland	84.00	81.60	82.50	82.40
ING Group	106.40	104.10	105.90	104.10
KLM	52.00	51.00	50.80	51.90
KPN	77.90	71.80	75.30	72.40
Nedlloyd	26.80	25.00	25.90	26.50
Numico	75.00	73.70	75.00	74.40
Oce	64.50	61.80	64.00	62.00
Philips Elec	131.60	125.90	131.00	123.70
Polygram	113.90	113.70	113.80	113.80
Randstad Hdg	102.90	100.70	101.40	103.00
Robeco	209.70	207.10	209.70	205.80
Rodamco	45.00	44.50	44.90	44.70
Rolinco	178.40	177.00	177.50	175.50
Rorento	130.00	129.40	129.90	129.60
Royal Dutch	89.80	88.80	89.10	90.00

	High	Low	Close	Prev.
BHW Holding	28.10	27.40	28.00	27.55
BMW	1150.00	1120.00	1125.00	1122.00
Commerzbank	53.95	52.20	53.40	52.50
Daimler Benz	148.50	143.00	148.00	141.00
DaimlerChrysler	148.70	142.50	147.50	141.00
Degussa	82.00	79.80	80.00	80.50
Deutsche Bank	103.60	100.50	102.90	101.50
Deut Telekom	45.50	43.05	44.80	45.20
Dresdner Bank	64.00	60.50	63.60	61.70
Energie BW	65.00	65.00	65.00	65.00
Ergo Vers.	269.00	265.00	265.00	267.00
Fresenius	315.00	310.00	310.00	315.00
Fresenius Med	106.00	103.50	103.50	106.00
Fr. Krupp Hoes	223.00	214.50	214.50	218.00
Gehe	114.00	110.50	110.50	115.80
Heidelbg Zmt	137.00	133.50	133.50	138.00
Henkel pfd	134.90	133.00	134.00	133.30
Hoechst	78.30	75.20	78.30	74.70
Karstadt	825.00	770.00	795.00	760.00
Lahmeyer	86.00	85.50	85.50	84.00
Linde	985.00	935.00	980.00	947.00
Lufthansa R	35.80	35.10	35.50	34.50
MAN	505.00	475.00	495.00	469.50
Mannesmann	174.90	166.00	172.50	165.90
Metallgesellschaft	23.00	22.70	22.80	23.10
Metro	119.50	113.00	119.00	114.00
Munch Rueck R	780.00	767.00	774.00	768.00
Preussag	597.00	583.00	590.00	580.00
RWE	88.50	84.20	88.00	84.40
RWE-DEA	474.50	474.50	474.50	465.00
SAP	755.00	739.00	750.00	738.50
Schering	199.00	190.90	198.00	190.00
Siemens	117.80	113.80	116.50	113.90
Springer (Axel)	1300.00	1270.00	1300.00	1290.00
Thyssen	297.00	287.00	287.40	289.00
Veba	93.30	87.50	92.30	88.50
VEW	490.00	485.00	500.00	475.00
Viag	1043.00	1016.00	1030.00	1075.00
Volkswagen	133.40	130.00	133.00	130.20
Wuertem. Vers.	2702.00	2700.00	2700.00	2710.00

Helsinki

HEX General index: 4650.52
Previous: 4511.86

	High	Low	Close	Prev.
SA Breweries	106.60	105.00	105.00	105.00
Sasol	30.60	29.50	29.50	29.50
SBIC	15.30	14.50	15.00	15.00
Smith (C.G.)	14.40	14.10	14.10	14.10
Tiger Oats	62.00	57.00	56.90	56.90

Kuala Lumpur

Composite: 458.58
Previous: 458.34
www.klse.com.my

	High	Low	Close	Prev.
Bankinter	4760	4640	4760	4635
Bco Centro Hisp	1540	1485	1525	1490
Bco Popular	9150	9000	9090	8990
Bco Santander	2705	2575	2675	2550
Catalana Occid	3900	3865	3900	3850
CEPSA	5050	4985	5070	5000
Continente	4250	4100	4170	4110
Corp Mapfre	3515	3440	3495	3440
Endesa	3875	3810	3853	3815
FECSA	1670	1645	1655	1660
Fom Constr	8450	8200	8400	8150
Gas Natural	12180	11800	11910	11760

	High	Low	Close	Prev.
Loblaw Cos	32.80	32.60	32.80	32.70
Natl Bk Canada	23.20	22.80	23.05	22.70
Power Corp	33.60	33.40	33.55	33.50
Power Finl	33.80	33.25	33.80	33.35

Late trading

Oslo

OBX index: 501.31
Previous: 495.23
www.ose.no

	High	Low	Close	Prev.
Aker A	82.00	82.00	82.00	84.00
Aker Maritime	56.00	54.00	56.00	54.00

	High	Low	Close	Prev.
Brahma Pfd	630.00	625.20	626.01	627.00
Cemig Pfd	30.20	28.50	28.80	29.80
CESP Pfd	31.80	30.00	30.20	30.60
Copel Pfd B	11.01	10.35	10.69	10.91
Eletrobras	31.80	29.50	29.50	30.90
Eletropaulo Pfd	64.00	60.00	60.00	65.99
Gerdau Pfd	11.60	11.40	11.40	11.50
Itaubanco Pfd	660.00	630.00	630.01	660.00
Light Servicios	210.00	204.99	205.00	210.00
Petrobras Pfd	194.01	185.00	187.00	193.98
SABESP	116.00	110.00	113.00	110.00
Telebras Pfd	0.30	0.18	0.24	0.28

	High	Low	Close	Prev.
Skan A	97.00	92.00	96.00	92.50
Sv Handels A	333.50	320.00	332.50	320.50
Volvo B	179.00	176.00	177.50	177.00

Sydney

All Ordinaries: 2680.60
Previous: 2648.70
www.asx.com.au

	High	Low	Close	Prev.
Amcor	7.07	6.88	7.01	6.93
AMP	20.01	19.79	19.83	19.90
ANZ Bkng	10.17	9.95	9.95	9.95
Aust Gas Light	11.85	11.75	11.76	11.85

	High	Low	Close	Prev.
Seven-Eleven	9180	9020	9020	9100
Sharp	1019	1000	1003	1005
Shin-etsu Ch	2610	2565	2575	2645
Shiseido	1320	1306	1313	1318
Shizuoka Bk	1359	1325	1359	1340
SMC	9100	8900	9040	8830
Softbank	5700	5340	5350	5390
Sony	8590	8350	8440	8510
Sony Music Ent	5060	4940	5040	4870
Sumitomo	651	623	645	633
Sumitomo Bk	1368	1324	1330	1357
Sumit Chem	442	427	434	436

	High	Low	Close	Prev.
Cemex CPO	26.60	26.00	26.00	26.20
Cifra C	13.60	13.30	13.30	13.36
Inbursa B	18.92	18.40	18.90	18.36
KimClark Mex A	31.80	29.00	29.00	31.60
Televisa CPO	134.50	131.00	134.50	131.00
TelMex L	25.30	24.80	24.80	25.20

Late trading

Milan

MIB Telematico: 21177.00
Previous: 20775.00
www.borsaitalia.it

	High	Low	Close	Prev.
Alleanza Assic	21200	20300	20650	20500
Bca Comm Ital	11645	11250	11395	11250
Bca Fideuram	9650	9250	9350	9240
Bca Intesa	9395	9035	9375	8930
Bca Pop Verona	139000	137000	138200	137500
Bca di Roma	2805	2730	2760	2760
Benetton	2850	2760	2815	2780

	High	Low	Close	Prev.
Eridania BS	987	963	987	966
Essilor Intl	2283	2225	2283	2220
Eurodisney	8.50	8.20	8.25	8.25
Eurotunnel	7.40	7.15	7.15	7.25
France Telecom	405.90	390.50	404.90	390.10
Lafarge	595	582	583	596
Lagardere	235	218.10	232.90	222.90
Legrand	1490	1455	1490	1470
L'Oreal	3387	3218	3387	3197
LVMH	1091	1028	1091	1030
Michelin B	225	218	225	219
Paribas A	447.90	440	447	440
Pechiney A	189.80	182.10	189.80	184.30
Pernod Ricard	390	381.90	384	388.10
Peugeot Cit	838	815	818	824
Pinault-Print	961	920	961	920
Promodes	3475	3367	3474	3359
Renault	220	211.60	219.80	215
Rexel	491	473	482	485.80

Singapore

Straits Times: 1314.55
Previous: 1271.70
www.ses.com.sg

	High	Low	Close	Prev.
City Devts	7.85	6.70	7.85	6.85
Cycle Carriage	5.55	4.74	5.55	4.80
Dairy Farm Int *	1.21	1.15	1.20	1.15
DBS foreign	12.80	11.40	12.70	11.50
DBS Land	2.28	2.10	2.26	2.17
Fraser & Neave	5.40	5.20	5.35	5.25
HK Land *	1.45	1.35	1.43	1.36
Jard Matheson *	3.37	3.10	3.30	3.14
Jard Strategic *	1.80	1.77	1.78	1.77
Keppel Corp.	3.96	3.62	3.92	3.64
OCBC foreign	9.15	8.50	9.00	8.70
OS Union Bk F	6.00	5.15	5.85	5.30
SembCorp Ind.	1.84	1.74	1.82	1.76
Sing Air foreign	10.40	10.20	10.30	10.30
Sing Land	4.10	3.76	4.08	3.98

NASDAQ

Thursday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
A-B-C										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D-E-F										
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G-H-I										
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J-K-L										
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M-N-O										
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P-Q-R										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S-T-U										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
V-W-X										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Y-Z										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE

Thursday's 4 P.M. Close

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S-T-U										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
V-W-X										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Y-Z										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ASIA/PACIFIC

Sanwa and Daiwa, Predicting Losses, Seek Aid

Bloomberg News

TOKYO — Sanwa Bank Ltd. and Daiwa Bank Ltd., two of the largest Japanese lenders, said Thursday that they would post losses this year and needed a combined 900 billion yen ($7.41 billion) in government aid to weather a deepening recession.

Sanwa and Daiwa — the first of several battered Japanese banks expected to appeal for public money as they report dwindling profits or post losses — also said they would cut jobs and close branches.

Profits at the 19 national Japanese banks are tumbling as the country's worst recession of the postwar period leaves cash-strapped companies unable to make loan repayments.

Crippled by more than 30 trillion yen in write-offs of bad loans over the past four years, the banks have little choice but to appeal for a slice of the 25 trillion yen the government has set aside to stave off bank collapses.

"We're trying to write off as much as possible now," said Masaki Hashikawa, general manager of Sanwa Bank, "so that from the next business year we'll be able to dispose of our bad loans completely on our own." Sanwa, Japan's fourth-largest lender, said it would seek about 600 billion yen in public money. The bank reversed its full-year forecast for consolidated current, or pretax, results to a loss of 490 billion yen from a previously expected profit of 170 billion yen. It will write off 800 billion yen in bad loans.

Daiwa, the 12th-largest lender, said it would ask for about 300 billion yen. It forecast a consolidated current loss for the year of 180 billion yen, reversing an expected gain of 22.5 billion yen.

Analysts said the amounts the banks had requested was conservative.

"They're being very cautious," said Michael Lockrow of Thomson Global Markets. "They don't want to be seen as too hungry for public money, because they're still not sure about the conditions attached."

Sanwa reported consolidated net income of 23.3 billion yen for the half-year that ended Sept. 30, up from 8.7 billion yen a year earlier.

Daiwa, which did not report consolidated figures, said parent-company net profit rose 59 percent in the first half, to 10.7 billion yen, while current profit fell 6 percent, to 7.1 billion yen.

Sanwa's shares rose 9 yen to close at 1,064; Daiwa fell 7 to 224.

Sanwa said it would cut 683 positions from its staff of 14,188 by the end of March. It will close 11 of its 346 domestic branches and seven of 45 overseas branches and offices in the same period and close or combine a further 60 branches over the following three years.

Daiwa will cut more than 200 workers from its staff of 7,915 by the end of March and eliminate 400 more positions over the following two years. It will close seven of its 181 domestic branches by the end of March and eight more by March 2001 and will close its six overseas branches by March 2000.

Tokyo to Sell NTT Stock to Pay for Stimulus Plan

Bloomberg News

TOKYO — Japan next month will sell as many as 1 million shares of Nippon Telegraph & Telephone Corp., the world's largest phone company, to help finance the government's latest economic-stimulus package, a person familiar with the situation said Thursday.

The Ministry of Finance will decide the sale price by mid-December, and the shares will be publicly traded beginning around Dec. 20, the source said.

The sale will be announced Friday, he said.

The Japanese government still owns 65.5 percent of NTT, a former government telecommunications monopoly, and last sold shares in the company in 1988.

The new sale, which could raise almost 900 billion yen ($7.41 billion), will be the fourth since the shares were first sold in 1986.

The move, reported in the Nihon Keizai newspaper, triggered a fall in Japan's benchmark stock index from a two-month high reached Wednesday as investors warned that the sale might hurt other issues.

The Nikkei 225 index closed at 14,254.46 points Thursday, down 244.77.

"Any new share issuance of this size could kill off a market recovery that has been fragile at best," said Stephen Bronte, managing partner at Stephen Bronte Partners.

This week, the government announced a tax-cut and spending package valued at 23 trillion yen that was designed to pull Japan, the world's second-largest economy, out of recession.

Some of the money to pay for the package will come from the NTT share sale, a Ministry of Finance official said.

NTT's financial health is deteriorating as a result of pension-fund shortfalls and other expenses. The company said this week that it would report its first-ever half-year group net loss under U.S. accounting rules.

The planned stock offering "is an obvious incentive to sell while you can," said Sachio Ishikawa, a manager at Chuo Securities Co.'s equity division. The shares will be sold in Japan, Europe and the United States, the ministry said last month.

APEC: *Harsh Economic Reality Forces Many to Lower Expectations of Group*

Continued from Page 15

reached in 1999.

But Japanese officials said privately that as far as Tokyo was concerned, the nine sectors must be part of another comprehensive round of global trade negotiations, one that will only start in 2000 and probably will last for several years.

The APEC summit meeting also passed along two other issues of importance to governments and the private sector to other organizations.

A study of currency traders was referred to an ill-defined international task force, and a blueprint for global financial change was shuffled to an expanded version of the Group of 22 nations, which links finance ministers and central bankers from developed and emerging countries, some in the APEC region and some in other parts of the world.

APEC's unity and clout — its 21 members account for more than half of the world's economic output and trade — took a hit when Mr. Clinton last weekend canceled his trip to the Kuala Lumpur meeting to handle the U.S. confrontation with Iraq.

When Vice President Al Gore — at a business conference on the sidelines of the meeting — praised the *reformasi*, the movement that is campaigning to bring down the government of Prime Minister Mahathir bin Mohamad of Malaysia, the chairman of the summit, Malaysian officials were outraged.

Many other APEC nations, even those normally in step with Washington, criticized Washington for bringing politics to a forum set up to promote economic cooperation.

But Prime Minister Jenny Shipley of New Zealand, whose country will host year's APEC meetings, said that she did not believe the issues of human rights and democracy raised by Mr. Gore had disrupted the work of the summit.

"We were not distracted," she told Reuters Television, even though "the public rhetoric may have led you to believe that."

Still, many business executives remain disillusioned by APEC's priorities and performance.

Jeffrey L.S. Koo, chairman and chief executive of the Taiwan company China Trust Commercial Bank, said APEC was not organized to deal with major financial problems because trade and foreign ministry officials dominated its councils. This should be changed by integrating finance ministers more closely into the work of the group, he added.

"This region has a massive need for injections of long-term capital and equity investment," said Victor Fung, chairman of the Hong Kong Trade Development Council. "We have pushed very hard for APEC governments to implement a nonbinding code they approved in 1994 to encourage investment. Yet the code has not yet been implemented."

Gareth Evans, the former Australian foreign minister who was chairman of the first APEC ministerial meeting, in Canberra in 1989, said the group had "dropped the ball" in another area vital to the business community — reducing trade and investment costs by mutual recognition of technical standards and harmonizing customs and investment rules.

"It seems to have got endlessly bogged down," he said, "so we are only getting small results."

Toshiba Posts Loss as Chip Prices Slump

Compiled by Our Staff From Dispatches

TOKYO — Toshiba Corp., the world's largest maker of notebook computers, on Thursday reported a first-half loss for the first time in 23 years because of a global slump in prices for memory chips, computer peripherals and electronics.

Toshiba posted a group pretax loss of 41 billion yen ($337.7 million), compared with a profit of 8.7 billion yen a year earlier. Sales fell to 2.50 trillion yen from 2.64 trillion yen. The results included the performance of Toshiba's 307 subsidiaries.

The group results showed that while Toshiba's computer business was more profitable overseas than at home, losses on microchips and consumer electronics were heavier at the group than at the parent level.

The main problem facing Toshiba, Japan's second-largest chipmaker behind NEC Corp., is the 60 percent collapse this year in prices of 16-megabit and 64-megabit dynamic random-access memory chips used in PCs, the result of global oversupply, said the executive vice president, Kiyoaki Shimagami.

That meant Toshiba, which got 22 percent of sales from microchips, had a 31 billion yen operating loss on the business, from profit of 47 billion yen a year ago.

Slumping domestic and Asian demand for consumer electronics — where Toshiba got 18 percent of sales — and price drops for PC peripherals, such as color tubes and liquid-crystal displays also weighed on Toshiba.

Analysts said Toshiba was not cutting costs quickly enough to combat plunging prices for memory chips or the decline in demand for its power-plant equipment.

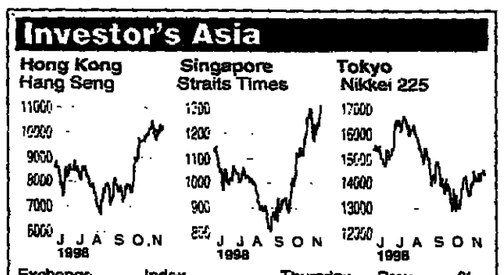
"Toshiba's restructuring efforts are backward-looking compared to the shareholder-driven approach of U.S. companies," said Naoki Sato, an analyst at HSBC Securities Japan Ltd. "Its fixed costs are still too high, and it needs to shed more employees." Toshiba employs 186,000 workers. In September, it announced plans to slash more than 6,000 jobs, or 9 percent of its work force, in the next two years.

Toshiba expects performance to pick up in the year to March 2000 as memory-chip prices rebound and Toshiba raises the proportion of non-D-RAM products in its microchip output, Mr. Shimagami said.

Toshiba's shares closed 18 yen higher Thursday at 653.

(Bloomberg, AFX)

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,313.30	10,213.42	+0.98
Singapore	Straits Times	1,316.55	1,271.70	+3.53
Sydney	All Ordinanes	2,680.60	2,668.70	+0.45
Tokyo	Nikkei 225	14,354.46	14,598.23	-1.68
Kuala Lumpur	Composite	458.58	458.34	+0.05
Bangkok	SET	358.56	345.13	+3.89
Seoul	Composite Index	441.06	423.74	+4.09
Taipei	Stock Market Index	7,300.34	7,100.14	+2.82
Manila	PSE	1,819.01	1,820.77	-0.10
Jakarta	Composite Index	379.12	369.99	+2.47
Wellington	NZSE-40	1,969.28	1,975.95	-0.34
Bombay	Sensitive Index	2,964.87	3,003.25	-1.28

Source: Telekurs — International Herald Tribune

Very briefly:

• **Korea Asset Management Corp.**, the South Korean institution that manages the banking system's bad debts, said it would settle all nonperforming loans within five years. The Financial Supervisory Commission said nonperforming loans of financial institutions totaled 70.8 trillion won ($54.71 billion) at the end of June.

• **South Korea's** corporate bankruptcies fell to a 25-month low of 1,036 in October from 1,085 in September and a monthly average of 2,225 in the first nine months of the year, as interest rates declined and banks supported cash-strapped companies, the Bank of Korea said.

• **Japan's** auto production and sales fell in October. **Toyota Motor Corp.**'s production fell 12.1 percent, to 285,576 vehicles, as sales slumped 17 percent, to 141,897. **Nissan Motor Co.**'s production fell 6.4 percent, to 129,094 units, and sales tumbled 14 percent, to 61,857. **Honda Motor Co.**'s output fell 3.7 percent, to 114,714, as sales sank 20.4 percent, to 55,794. And **Mazda Motor Corp.** said its production declined 5.9 percent, to 68,789, as sales slipped 7.1 percent, to 22,631 vehicles.

• **LG Electronics Co.** and **LG Semicon Co.** will merge their $600 million liquid-crystal display businesses and seek a foreign partner.

• **Daimler-Benz Asia Pte.**'s Southeast Asian vehicle sales in 1998 fell as much as 40 percent from 1997 because of the economic crisis, said Ludwig-Holger Pfahls, the regional president and chief executive.

• **Japan's** trade surplus rose for the 19th consecutive month in October, expanding 23.9 percent to 1.371 trillion yen ($11.27 billion), the Finance Ministry said, fueling concerns about a worsening trade imbalance as President Bill Clinton arrived in Japan for a summit meeting. Japan's surplus with the United States widened 31.9 percent to 719.7 billion yen.

• **ABN-AMRO Asia Ltd.**, **Bear Stearns Asia Ltd.** and **Nomura Securities Co.** cut more than 70 employees in Asia as investment banks sought to trim costs amid a downturn in emerging markets and a deepening recession across parts of Asia.

Reuters, Bloomberg, AP, AFP

INTERNATIONAL INVESTING

Internet Stocks' Prices Call for Careful Math

JAMES K. GLASSMAN/ ON.INVESTING

Washington Post Service

WASHINGTON — As investors were largely shrugging off the Federal Reserve Board's rate cut this week, they were going bonkers over Amazon.com Inc., the Internet retailer.

Why? Well, Amazon, which already sells books and music, announced it would now sell videotapes too and would open a holiday gift center with items ranging from toys to software.

The mere intention to sell these things lifted Amazon's stock by $22.25 on Tuesday and $15.50 on Wednesday — a total increase of 25 percent. In the past 12 months, Amazon has soared from $24.25 a share to $164.

In early trading Thursday, Amazon's shares were up $5.625 at $169.625.

Amazon is not the only Internet stock that has shot into the stratosphere.

Three weeks ago, eBay Inc., a service that finds buyers and sellers for memorabilia, stamps, coins and the like, went public at $18; on Wednesday, it closed at $147.50. In early trading Thursday, eBay's shares were at $148, up 50 cents.

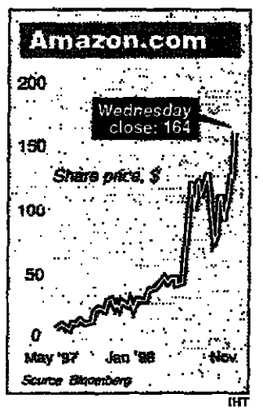
Yahoo! Inc., *a search engine that* has become a major Internet destination, rose $13.375 Wednesday to $190.125 a share — up from $24 a year ago. In early trading Thursday, Yahoo!'s shares were at $194.875, up $4.75. Its market capitalization, *or stock price times number* of shares outstanding, is about $18.8 billion — more than Gannett Co., which publishes 87 daily newspapers (including USA Today) and owns 20 television stations.

So, are investors completely crazy?

Not completely. Half-crazy is more like it.

They are certainly right about the Internet. It's not hype. It's the real thing. It's changing the way the world shops, does business, communicates, educates itself and entertains itself. A study by Boston Consulting Group released Tuesday found that retail sales on the Internet were growing 200 percent annually and would exceed $13 billion this year. But that is less than 1 percent of the U.S. total, so the potential is enormous.

But the Internet will crown both winners and losers. "The Internet will have a dramatic impact on the economy, creating and destroying shareholder wealth in historic proportions," writes Bill Whyman of the Precursor Group, a research division of Legg Mason Wood Walker Inc., in a new report on the effects of the new technology. "The impact," Mr. Whyman writes, "is universal and, overall, positive for the economy."



Source: Bloomberg

IHT

But believing in the power of the Internet is one thing. Figuring out which Internet stocks to buy — if any — is another.

The basic problem with Internet stocks is that nearly all of the companies are losing money. Trying to divine a reasonable price for a stock is not easy, but it begins with looking at profits. If there aren't any, you have to make some pretty wild guesses.

For example, last year, Amazon lost $28 million on sales of $148 million. This year, the company is expected to lose $70 million on sales of $500 million. Profits, one hopes, are just over the horizon, but they may never show up. Even if you are sure they will, how do you value Amazon today?

A high-technology company that is earning $1 a share and increasing its profits at 20 percent a year may trade at $30 — a sensible price/earnings ratio of 30. But is Amazon worth $4 a share or $164? Without profits, it's anyone's guess.

Try this analysis. Let's say that, two years from now, Amazon has sales of $2 billion and earnings of $100 million — figures plucked from the sky. With about 50 million shares outstanding, that's $2 a share.

At a price of $164 a share, Amazon's P/E ratio, looking forward to earnings in 2000, would be about 80. But if its earnings continue to grow at, say, 50 percent a year, then by 2005 they will be $15 a share, meaning that someone who pays $164 today will be getting a return on that original investment of 10 percent — and rising. That doesn't sound out of line.

Do those calculations sound nuts? Well, consider how fast profit can grow at a high-tech company. At Microsoft Corp., earnings have increased from 6 cents a share in 1988 to $2.25 now — an annual growth rate of close to 50 percent.

Still, the level of profit for Amazon, or practically any other Internet firm, is mere conjecture. There are reasons to worry that the nature of the Internet will make competition so deadly that profit will be difficult to achieve.

Amazon, for instance, seems well on its way to becoming what Mr. Whyman calls an "intermediary" — the cyberspace equivalent of a physical shopping mall. But the Internet makes prices so transparent, barriers to entry so low and switching to new vendors so easy that profit margins will almost certainly be squeezed severely. That's already happening with bookselling, where Amazon, despite its growing volume, is not making money.

The Internet has reduced costs for the businesses that operate there. Amazon did not have to build or lease 100 brick-and-mortar outlets to achieve $500 million in sales. But Mr. Whyman points out that Internet savings have not gone to the bottom line; instead, they have been won by consumers.

Add to this uncertainty the lofty valuations of companies that have no history of earnings. When the market closed Wednesday, for example, Amazon had a market capitalization of $7.8 billion. That was twice the combined value of the two largest conventional booksellers in the United States, Barnes & Noble Inc. and Borders Group Inc.

Those two chains, with more than 2,000 stores, last year had sales of $5 billion and earnings of $140 million. Amazon, with no stores, will have one-tenth the sales and a loss of $70 million.

Still, I will admit that I love Amazon. If I could own individual stocks (and I can't because it would present conflicts with my writing), I would probably buy shares, even at these levels, simply because I'd like to be a partner in such an innovative company. I would reserve some cash, however, for the next dip — if it ever comes.

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jkglassman@aol.com

Value Line Favors Nine

Washington Post Service

WASHINGTON — On paper, they sound just about perfect. They are stocks that Value Line Inc. predicts will outperform the market in the next six to 12 months and "for the pull to 2001-2003" and that have "safety ranks" of at least 3, which is considered average.

I screened the list further by requiring a price-to-earnings ratio of less than 16.

Here are the *nine winners:* Applebee's International Inc., restaurants; Brown Group Inc., a shoe retailer; CKE Restaurants Inc., a fast-food chain; Carlisle Cos., a construction materials maker; Gerber Scientific Inc., a builder of automated manufacturing systems; Newport Corp., a maker of fiber-optic components; Standard Pacific Corp., homebuilding; Stride Rite Corp., a children's shoemaker, and Transocean Offshore Inc., drilling.

Remember, no guarantees.
— JAMES K. GLASSMAN

Very briefly:

- **Venture-capital funds** pumped $550.8 million, a quarterly record, in the third quarter into 114 relatively new companies based in the New England region of the United States, continuing their bets on software, communications, medical technology, retailing and education as the money-makers of tomorrow. The total was more than one-seventh of the $3.77 billion that went to 708 companies nationwide in the July-September period.
- **Investment opportunities** in Asia are likely to rise next year, helped by liberalization of capital markets and other financial reforms, managers of Morgan Stanley Dean Witter said at a news conference marking the opening of the firm's Singapore office.
- **Business leaders** representing more than 150 corporations met in Boston to urge the adoption of "socially responsible" corporate policies and practices in the United States and abroad. "We have a bottom-line interest in making sure that the markets we serve are economically healthy and growing," said Henrique de Campos Meirelles, president and chief operating officer of BankBoston Corp. and the keynote speaker at the conference.
- **U.S. investors** have capitalized on the financial crisis in Asia by spending more than $10 billion this year on distressed real-estate and bad-loan portfolios in Japan, South Korea and Thailand. If it continues, the spree could rival Japanese spending on U.S. properties during the 1980s, according to a report by E & Y Kenneth Leventhal Real Estate Group.

The Boston Globe, AP, Reuters

Risk Managers Flock to Asia

Amid Crisis, They Offer Vehicles for Limiting Losses

By Philip Segal
International Herald Tribune

HONG KONG — For purveyors of new ways to manage risk, Asia is fertile ground — a region thrust suddenly into an environment of deep recession, shrinking credit and volatile markets after years of fantastic growth.

The specialty-insurance companies, banks and brokers of the world have noticed. They are bombarding fund managers and company treasurers in Asia with new ways to manage risk, many of which have been tried and tested in Europe and the United States but are new to this region.

The sales forces have a ready audience, because while analysts may recognize in hindsight the harbingers of the economic crisis that erupted in July 1997, almost none predicted a financial shock of the magnitude Asia is now experiencing.

"What's good for us is when people's perception of risk is higher than the real risk," said Bryan Bowers, managing director at the newly opened Hong Kong office of Centre Solutions, Zurich Insurance Group's risk-management specialist.

'There are good companies over here, and they should still be getting access to capital.'

"Like everywhere in the world, there are good companies and bad companies" in Asia, he said. "There are good companies over here, and they should still be getting access to capital."

When he worked in his company's New York real-estate office, Mr. Bowers handled several deals in which he insured developers against a certain portion of any decline in a property's value. The developer paid a hefty premium but could gain two advantages: Bankers would be more willing to extend credit because the insurance company was helping to share the risk, and the developer could get a partial rebate of the premium should there never be a claim on the policy.

Hong Kong may prove a good place to peddle such a product. In the third quarter alone, the Jones Lang Wootton capital values index for Hong Kong office space fell 19 percent, and the index is down 55 percent in the 16 months since the start of the Asian crisis.

Mr. Bowers also suggested that Asian companies would benefit from new forms of financing for trade.

Even Indonesian exporters whose earnings are in foreign currencies have suffered a credit crunch, as banks in the country have shut off financing for imported components. Instead of a traditional loan, Centre Solutions might provide the exporter with an insurance policy against its defaulting. The coverage might make foreign bankers consider the exporter less of a credit risk.

For State Street Corp., the new Asian awareness of the dangers of fluctuating currencies has provided an opportunity to sell currency management products.

"For years we had investors in emerging markets who didn't care about currencies," said Paul O'Connell, president of Emerging Markets Finance LLC, an American econometrics firm working with State Street to develop trading and risk-management products for Asia. The drop in Asian currencies has doubled the losses of foreign investors from stock declines, he said, as the lower currencies have further cut Asian stocks' values when measured in dollar terms.

State Street offers a computer-software product designed to help traders determine the best currency hedge. It then allows them to place a currency order and track its execution.

Simon Wilson-Taylor, vice president for currency management in State Street's London office, said, "An investment manager may be in 20 foreign markets but may only want to hedge six that are fairly representative of all of them."

Another State Street product draws on the $4.3 trillion in securities held in custody worldwide by the banking giant. It provides a database showing capital flows in and out of 60 countries around the world. Previously, investors might have had to wait weeks until central banks released such data, but the bank offers it on a three-day delay once trades are settled.

The information has yielded a major surprise. In the first eight months after the start of the Asian crisis, foreigners on average remained net investors in nearly all Asian countries, according to Mr. O'Connell. Such information might have lessened the panic among fund managers last year.

Another beneficiary of the appetite for risk management has been Asia's nascent market in credit derivatives, which began in 1996.

Traded completely over the counter and almost entirely among banks, the market grew at its fastest rate ever in the third quarter, one trader said.

The market typically works like this: A bank seeking financial protection pays another bank to help insure it against loss resulting from default by a borrower or issuer of a bond. In the case of Hong Kong, a bank nervous about repayment of a bond from a shaky Chinese company could transfer some of that repayment risk to a third party for a fee.

Credit derivatives may be insuring more than $100 billion in credit payments already, according to some estimates, although trading has slowed in the past month.

The avalanche of trades this year has created a backlog that banks are seeking to settle before the close of their financial year.

Goldman Plans Asia Expansion

Compiled by Our Staff From Dispatches

SINGAPORE — Goldman, Sachs & Co. is creating a multimillion-dollar fund to buy Asian assets and plans to expand in the region, according to company executives.

John Corzine, a co-chairman of the American investment bank, and Philip Murphy, managing director for Asia, were quoted Thursday as saying Goldman would station top employees in the region in its pursuit of mergers and acquisitions.

"We have an enormous amount invested in this city and Asia generally," Mr. Corzine told Singapore media during a stopover after the Asia-Pacific Economic Cooperation summit meeting in Kuala Lumpur.

"A recovery fund would be an incremental aspect of an already very large presence in Asia," he said. "We do not want to be seen as sweeping in to pick up cheap assets."

Mr. Corzine declined to give figures for the fund, but said that Goldman "typically likes to start small" and that the fund would tap private equity mostly from the firm and its clients.

He also denied rumors that Goldman is planning layoffs among its 1,500 employees in Asia.

Goldman signed a 12-year lease Thursday for 190,000 square feet (17,100 square meters) of Hong Kong office space in Cheung Kong Center. It was the longest commercial lease ever signed by Hutchison Whampoa Ltd., which owns the complex.

Goldman has 600 employees in Hong Kong, and Mr. Murphy said the company would grow to fill the extra space.

"Four or five years ago we pulled back a bit in Asia," he said. "That will not happen again."

Mr. Corzine said that Goldman was still wary of investing in the banking sector. "There needs to be a restructuring of the banking system at market clearing prices," he said. *(AFX, AFP, Bloomberg)*

Behind a Summer Sell-Off

As Its Investors Sold, Coca-Cola Enterprises Bought

By Constance L. Hays
New York Times Service

NEW YORK — While much of America spent its summer vacation lying on the beach or relaxing on a mountaintop, some key shareholders of Coca-Cola Enterprises Inc. spent theirs in a flurry of trading on the stock exchange.

Early filings for the third quarter show that at least one big mutual-fund company, a money manager and a trust company with significant positions in Coca-Cola Enterprises sold nearly all their shares during that period. Another mutual fund is said to have sold 10 million shares, possibly in a private deal. The buyer of at least 14 million of the shares on the block was the company itself.

Two factors helped prompt the selling. In late July, Coca-Cola Enterprises, which is Coca-Cola Co.'s main bottler in the United States and parts of Europe, announced a $5 billion capital-spending plan that alarmed some investors, particularly when the company said it would not start showing increased positive cash flow until next year.

Then the stock market, rattled by global economic crises, fell into an August swoon that carried the stock price of Coca-Cola Enterprises down, along with those of many other companies.

The biggest sellers included Prudential Mutual Fund Investment Management, which sold slightly more than 6.2 million shares, valued at $158.9 million, at the end of August. The company had held those shares since June, said Tim Biggs, a spokesman for Prudential, but he declined to say why Prudential had decided to sell. Prudential still has about 242,000 Coca-Cola Enterprises shares in its portfolio.

Another big seller was Bessemer Trust Co., which sold 2.9 million shares valued at $73.3 million, according to its most recent filing with the Securities and Exchange Commission. The company, which has been a long-term shareholder, still has about 46,000 shares.

The word on Wall Street is that Putnam Investment Management, the second-biggest shareholder in Coca-Cola Enterprises, quietly sold about 10 million of its 15.8 million shares in the third quarter as well, possibly in a private deal. A spokesman for Putnam, which is part of Marsh & McLennan, refused to comment. Meanwhile, filings show that Warburg Pincus Asset Management sold 901,167 shares in the quarter for $22.7 million; the firm kept 9,600 shares.

Where did all those shares go? As it turns out, 14 million were bought by the company itself, for $404 million; it issued debt to pay for them even though it was already heavy with debt from acquisitions. The company frequently uses its own stock in acquisitions, which can mean tax-free deals for the owners of companies it takes over.

Interestingly, Coca-Cola Enterprises went on its shopping spree without fanfare, though companies often publicize buybacks, since the purchases can give the stock a lift. The first mention came in late October, when it released third-quarter earnings.

The company's most recent stock-repurchasing plan, aimed at reclaiming 30 million shares altogether, was authorized in April 1996, a company spokeswoman said. But until Jan. 1 of this year, no shares had been repurchased, because the company was reluctant to take on more debt.

While 1 million shares were bought in the first quarter — preceded by a detailed news release — that move was dwarfed by the activity that came in the third quarter.

"To me, that's not the way to use shareholder capital," said Albert Meyer, a consultant in Indianapolis who previously criticized Coca-Cola Enterprises. "And it's capital they don't have, because they had to borrow to do it."

Coca-Cola Enterprises snapped up at least 14 million of its own shares in a falling market.

Like merger activity, corporate share repurchases are at an all-time high. Last year, companies spent $182 billion to buy back their own stock, said Laurie Hodrick, a professor of economics and finance at the Columbia University business school. They do so to invest in the stock when it appears to be undervalued, or for tax advantages, or as a deterrent to possible takeovers, she added.

Margaret Carton, vice president for investor relations and planning at Coca-Cola Enterprises, says that share repurchases have long been part of the company's strategy and that the third quarter was merely an example of that strategy in action.

The company's decision to take on more debt to do that, though, may not sit well with every investor. "If interest rates were to spike, I think CCE would be in serious trouble just to make their interest payments," Mr. Meyer said.

Still, Coca-Cola Enterprises' share price has bounced back. The company was included in the Standard & Poor's 500-stock index on Oct. 7; that pushed up the stock price because index funds had to add its shares to their holdings, and, as the market has recovered, the company's shares have gone up as well. Coca-Cola Enterprises' stock was trading at $38.0625, down 93.75 cents, early Thursday, compared with its 12-month low of $22.875 set Oct. 1.

WORLD ROUNDUP

Changed Dates Fail To Please French

SOCCER Two days after the FIFA Confederations Cup was moved from January to next summer, France said it may not play in the eight-nation tournament.

"A competition cannot have these dates, it is a question of the calendar," Noel Le Graet, president of the French soccer league, was quoted as saying Thursday in French daily L'Equipe.

The French federation's governing council will meet Friday to decide whether to accept the dates. The tournament, in Mexico, was originally scheduled for Jan. 8-20, but after European leagues objected that they would lose players in midseason, it was switched to July 28-Aug. 8.

The French league had planned to start its season July 28. The dates also conflict with the U.S. Major League Soccer, the Pan American Games and come right after the South American championship.

"I'm extraordinarily disappointed. As everyone knows, I was hopeful we'd have uninterrupted season to see what we could do," said Doug Logan, the MLS commissioner. "However, we will make best of it." *(AP)*

Patriots Consider Move

FOOTBALL The New England Patriots and Connecticut's governor announced a tentative deal Thursday on moving the team from suburban Boston to Hartford in what would be the fifth National Football League franchise to shift cities in three years.

The deal, which must be approved by NFL owners and the Connecticut Legislature, calls for a $350 million stadium to be built as part of a $1 billion development.

• Linebacker Wayne Simmons was claimed by the Buffalo Bills, a day after being waived by the Kansas City Chiefs following a penalty-plagued loss. *(AP)*

NCAA Punishes LSU

BASKETBALL Louisiana State University will be barred from 1999 postseason tournaments and lose six scholarships the next three years because a booster paid Lester Earl $5,000 to play basketball there, the NCAA, the governing body of U.S. college sport, announced. The school will forfeit the five victories in which Earl, now at Kansas, played. *(AP)*

Cardinals Trade Gant

BASEBALL The Saint Louis Cardinals sent outfielder Ron Gant and two pitchers to the Philadelphia Phillies on Thursday in exchange for reliever Ricky Bottalico, a relief pitcher. *(AP)*

Brain Supplement Queried

British sports psychologists have expressed concern over a nutritional supplement about to go on sale in Britain that is supposed to stimulate the brain.

The Guardian newspaper quoted NeuroGain's manufacturers as saying the product is a "neurotransmitter support system" and can help golfers, soccer players and runners by enhancing concentration, allowing the brain to send clearer and stronger signals to muscles.

"There is not enough data," said David Collins of the British Olympic Association's psychology steering group. "Not enough is known about what impact nutritional supplements can have." *(AP)*

Jumps and (Snow) Falls Return

Winter Sports Begin, Without Ebullient Tomba, Street and Lipinski

By Christopher Clarey
International Herald Tribune

PARIS — Winter does not begin officially until late next month, but the winter sports season officially began in September, when the aerial skiers opened their World Cup freestyle season in Australia.

Winter athletes are not yet like tennis players, golfers or soccer players, whose seasons blend seamlessly into the next without much time for reflection or recovery. But the campaigns are getting longer, and it will be intriguing to see what happens as winter sports continue to develop in the Southern Hemisphere.

Skiers already train in South America and New Zealand during the off-season. Will there eventually be World Cup Alpine races in Chile in June? World Cup moguls in the Snowy Mountains of Australia in July? World Cup snowboarding in the Drakensberg range of South Africa in August?

For now, the winter circuit remains largely a European and North American affair, with an occasional long-haul flight to Japan, and over the next two weekends the 1998-99 season will begin in earnest, even if the Alpine skiers Alberto Tomba, Picabo Street and Katja Seizinger, the figure skater Tara Lipinski and the cross-country skiing star Vladimir Smirnov are not involved.

Tomba announced his retirement in early October, shortly before the Alpine skiers opened their season on the glacier in Soelden, Austria. The now traditional glacier event, which comes nearly a month before the next World Cup alpine race, seems to exist largely to remind consumers that it is time to book their ski vacations and to buy new boots or skis.

Tomba helped sell plenty of equipment during his rollicking career. But after winning three Olympic gold medals and two world championship gold medals and then fading in the last two seasons, he will have time to devote to his acting, his wine cellar and the charges of tax evasion that have been brought against him in his native Italy.

Tomba's charisma and ability to transcend his insular sport will be extremely difficult to replace, but Hermann Maier of Austria is potentially a more dominant skier, if not personality, than Tomba was at his peak. Unlike Tomba, who specialized in the two technical events — slalom and giant slalom — the Herminator, as Maier is known, is a three-event skier, capable of winning in the giant slalom and in the two speed events, super-G and downhill.

The Austrians have emphasized cross-discipline skiing in their development program. Maier won the overall World Cup title with ease last season, his first full season on the circuit. He also won two gold medals at the Winter Olympics in Nagano, Japan, somehow picking himself up out of the snow after one of the most spectacular falls in the history of the downhill and finishing first in the super-G and giant slalom.

His success did not go unchallenged. In the off-season, officials of the Italian and Swiss ski teams publicly insinuated that Maier had used performance-enhancing drugs to help him add 10 kilograms (22 pounds) to his once-slight frame in the last three years.

But before the first race in Soelden, Maier denied those accusations, attributing them to frustration on the part of his rivals, and said that he had been tested four times in 1998 and that his new muscles came from lugging the bricks he laid for a living when he had yet to find his place on the Austrian team.

After defending himself in Soelden, Maier strapped on his skis and went back to attacking on the course. He won the opening giant slalom by a typically large gap of 1.6 seconds. Maier will resume his season Friday with another giant slalom in Park City, Utah.

The women started competing on Thursday in the same resort, which will be one of the primary venues at the next Winter Olympics in 2002.

The United States will also play host to this year's world Alpine championships in Vail, Colorado, in February, but the American skiers are in no position to impress the home crowds. Tommy Moe, whose only career downhill victory came very conveniently at the 1994 Olympics, has retired.

But the much larger blow to American skiing came during a race in March, when Picabo Street broke her left femur and tore ligaments in her right knee in a crash. Street, one of the most irrepressible and personable women in sports, had spent most of 1997 rehabilitating after another knee injury and had returned just in time to win the Olympic super-G gold medal in Nagano. She will not compete this season, but at 27, has no plans to retire.

Street's longtime rival, Katja Seizinger of Germany, the premier women's skier of the 1990s, is not nearly as comfortable in front of the camera, although she is every bit as audacious on skis. She, too, is in rehabilitation after suffering the first serious injury of her career — torn knee ligaments — during training in the off-season. Seizinger won two gold medals and a bronze in Nagano and the overall World Cup title last season; but in her absence, her teammate Hilde Gerg and Pernilla Wiberg of Sweden are among the favorites to take over her leading role.

Figure skating also will be seeking replacements this season. Tara Lipinski, the diminutive 15-year-old who outperformed her fellow American Michelle Kwan to win the gold medal in Nagano, has announced her retirement from Olympic-eligible competition and is skating in professional exhibitions. Pasha Grishuk and Yevgeni Platov of Russia, the two-time Olympic ice dancing gold medalists, have made the same choice.

Kwan, who hopes to compete in the 2002 games, is not skating a full schedule this season. Neither is Ilya Kulik of Russia, reigning men's Olympic gold medalist, but the Russian men are still thriving. Aleksei Yagudin, Aleksei Urmanov, Yevgeni Plushenko and Aleksandr Abt are all capable of making the Canadian Elvis Stojko's Olympic disappointment carry over into 1999.

Dan Emmerich/Agence France-Presse

Alexandra Meissnitzer running the giant slalom Thursday in Park City.

MAIN EVENTS THIS WINTER

SKI JUMPING
Germany and Austria — Four Hills, Dec. 30-Jan. 6.

SNOWBOARDING
Berchtesgaden, Ger. — World Champs, Jan. 18-17.

ALPINE SKIING
Vail, Colorado — World Champs, Jan. 30-Feb. 14.
Sierra Nevada, Sp. — World Cup Finals, Mar. 10-14.

FIGURE SKATING
Prague — European Championships, Jan. 25-31.
Helsinki, Fin. — World Championships, Mar. 22-28.

NORDIC SKIING
Ramsau, Austria — World Championships, Feb. 18-28.
Oslo, Norway — Holmenkollen, Mar. 20-21.

FREESTYLE SKIING
Meiringen, Switz. — World Championships, Mar. 6-14.

Matt Campbell/Agence France-Presse

An ailing Monica Seles stretching for a forehand against the erring Anna Kournikova in the first round of the Chase Championship.

Davenport and Seles Both Battle Through

By Robin Finn
New York Times Service

NEW YORK — Two points away from being bounced out of the opening round of the Chase Championships for the second consecutive year, Lindsay Davenport, who is already sure of finishing the year ranked No. 1, reminded herself how irritable she would be if she let her year finish on an unflattering note.

So pride prevented a first-round fall Wednesday night as Davenport, who trailed Sandrine Testud by 6-4, 5-4 before restoring order, scrambled into the quarterfinals at Madison Square Garden with a 4-6, 7-6 (7-4), 6-0 comeback.

Davenport's close encounter with premature defeat was far less painful than Monica Seles' opening night ordeal.

Unable to eat since Sunday night, when a flu bug took up residence in her stomach, and unwilling to do much of anything except sleep "for the last 50 hours," Seles raised herself from her sickbed Wednesday night and then won, helped by 17 double faults from Anna Kournikova.

Seles, grunting more out of discomfort than habit, soldiered to a 6-4, 6-3 victory that put her in a quarterfinal meeting with Steffi Graf, whose resurrection after her seventh surgery, has been nothing short of masterly.

Wednesday night, Seles put herself in harness with such discipline that she committed just five unforced errors, 31 fewer than her healthy opponent.

Kournikova, a purveyor of bruising ground strokes and graceful volleys, was inefficient when the task turned to holding serve. She lost the opening set with her ninth double fault, and quadruple double faults in the next-to-last game of the second set gave Seles the opportunity to serve out the victory at 5-3.

"I think if I'd served better, the match could've went a different way," said the loser, who seemed unaware that Seles was under the weather.

Eric Gaillard/Reuters

Sylvain Wiltord of Bordeaux, left, watching Monaco's Philippe Leonard in a French league game Thursday.

Lucky Laslandes Wins in Monaco

Compiled by Our Staff From Dispatches

Bordeaux won, 2-0, at fourth-place Monaco on Thursday to remain second in the French league.

Lilian Laslandes put Bordeaux ahead after only six minutes with his sixth goal of the season. Herve Alicarte, a Bordeaux defender, broke through on the left and his low ball into the goalmouth beat advancing goalkeeper Fabien Barthez and went in off the surprised Laslandes' shin.

Johan Micoud scored the second by lobbing the ball over Barthez.

EURO 2000 Northern Ireland twice hit back from a goal down against Moldova in Belfast to draw, 2-2, in qualifying for the European championships.

That draw gave Moldova its first point and lifted Northern Ireland above Germany into third place in Group 3.

In Belgrade, Pedrag Mijatovic scored to give Yugoslavia a hard-earned victory in Group 8 over Ireland as his team marked its delayed start to the European Championships with a victory and ended the Irish winning streak.

FRIENDLIES Brazil, fielding an experimental side, hammered Russia in Fortaleza, Brazil, 5-1.

The Russian team fielded only players from the Russian league. It took the field 24 hours after completing a 30-hour journey from Moscow and had to cope with a temperature change of 40 degrees centigrade.

Elber gave Brazil the lead after three minutes with his sixth goal in six full internationals. Amoroso scored his first two goals for Brazil and Marcos Assuncao hit his first goal for his country. Rivaldo, one of three survivors from the 1998 World Cup team, scored with a penalty.

In Gerlsenkirchen, Germany, the host, rallied in the second half to salvage a 1-1 draw against the Netherlands in an exhibition match.

Olaf Marschall scored for Germany in the 52d minute after Michael Reiziger had given the Dutch a well-deserved lead in the 22d.

Police reported no incidents between rival fans. *(AP, Reuters, AFP)*

SPORTS

for Sammy: The National League MVP

With Juan Gonzalez of the ngers having won the League award a day earlied the first time that Latin players swept both MVP the previous 67 years of ll Writers voting, Latin won eight times.

ative of the Dominican s only the third Latin o win the NL award. emente won in 1966 and Sepeda in 1967. George ll, who was the AL MVP in 1987, had been the only Dominican to win an MVP award.

The one-sided nature of the vote is not likely to defuse the debate that has raged and will continue to rage over the appropriate choice for the award. McGwire supporters — fans, baseball people and members of the news media alike — believed he should be the NL MVP because he set the record with 70 home runs. But Sosa supporters argued that there was a difference between player of the year, which some concede McGwire might have been, and most valuable player

The voters clearly sided with the Sosa supporters who credited the Chicago Cubs' right-fielder for sparking his team to a wild-card berth as the second-place team in the NL Central Division. The St. Louis Cardinals, McGwire's team, were never in the race despite his unprecedented production.

The Cubs would have joined the Cardinals among the also-rans without Sosa, who had 66 home runs, a major-league-leading 158 runs batted in and a .308 batting average. McGwire drove in 147 runs, batted .299 and led the majors in walks (162), on-base percentage (.470) and slugging percentage (.752).

The McGwire-Sosa home run contest helped revive interest in major league baseball, which had lagged since the 1994-95 strike. Their joint pursuit of Roger Maris's 1961 record of 61 home runs captivated old fans and created new ones as it commanded daily attention throughout the much of the world.

Because McGwire was the primary focus of that attention, some felt he should be rewarded for his value in bringing baseball back. But Sosa took the interest to an even higher level and inspired McGwire.

Throughout their remarkably friendly rivalry, Sosa said that McGwire was "the man" and would be the one to break the record and hold it at the end of the season. He was right on both counts. But Sosa also said he had other priorities such as helping the Cubs reach the playoffs and winning the MVP award. He achieved both.

Moises Alou of Houston, a fellow countryman of Sosa, finished third in the balloting with 215 points and was the only other player who was named on all 32 ballots.

Greg Vaughn of San Diego was fourth with 185 points, Craig Biggio of Houston fifth with 163 and Andres Galarraga of Atlanta sixth with 147.

Ken Levine/The Associated Press

Phoenix's Greg Adams, left, being grabbed by Vancouver's Mattias Ohlund, who was penalized.

Waite Carries Coyotes Over the Canucks, 4-2

The Associated Press

The Phoenix Coyotes continued their fast start to the season with a victory over Vancouver.

The Coyotes conquered the visiting Canucks, 4-2, on Wednesday night to move into a tie with the Dallas Stars atop the Pacific Division and stretch their unbeaten streak to nine games. Jimmy Waite made 28 saves for the Coyotes, who have allowed no more than two goals in 12 consecutive games.

NHL ROUNDUP

Capitals 4, Maple Leafs 1 Jan Bulis scored his first two goals of the season and assisted on another, leading host Washington over Toronto.

Bulis, having missed the Capitals' first 13 games with an ankle injury, was playing in his third contest since returning and turned in the first multigoal effort of his career.

Red Wings 6, Oilers 2 Steve Yzerman had two goals and an assist as Detroit won in Edmonton.

Yzerman, Aaron Ward and Vyacheslav Kozlov scored in the first period for the Red Wings.

Mighty Ducks 3, Rangers 1 Marty McInnis scored the go-ahead goal on a third-period power play as host Anaheim beat New York.

Sharks 5, Kings 4 Tony Granato's two third-period goals and Jeff Friesen's two-goal, one-assist performance lifted San Jose over visiting Los Angeles.

...en by Sosa, Japanese Star Dreams of Playing in U.S.

By Tim Noonan
International Herald Tribune

TOKYO — From the moment his plane landed in Tokyo, Sammy Sosa was engulfed in sea of flashbulbs, microphones d endless adulation.

"I'm kind of surprised with all theention I have received in Japan," d the Chicago Cubs slugger whose me-run duel with Mark McGwire summer elevated both to levels international fame rarely enjoyed baseball players. "It's a little rwhelming." The Japanese pensity to heap praise on star ath-s is not limited to Sosa, however. Ichiro Suzuki, a 25-year-old outder with the Orix Blue Wave, the dia circus consuming Sammy red a welcome respite.

n his first five full seasons, the ky Suzuki has won five Pacific gue batting titles and three most-uable-player awards. Telegenic engaging, Suzuki has a .350 er batting average and a devtingly accurate and powerful wing arm and may run the bases er than any professional baseball player in the world. He also carries the considerable burden of being the most celebrated and recognizable sportsman in Japan.

While almost all the Japanese all-star players were simply hoping to make a good showing against a team of U.S. major leaguers they played in exhibition games over the past couple of weeks, Suzuki was auditioning for a larger role.

"I want to be the first player to show what Japanese batters can do in the major leagues," Suzuki said.

Buoyed by the recent success of the pitchers Hideo Nomo and Hideki Irabu, a number of Japanese professionals are eager to follow them to the U.S. major leagues. While a number of scouts are impressed by Kazuhiro Sasaki, a Yokohama Bay Stars relief pitcher with 45 saves and an earned-run average of 0.54 last season, no everyday Japanese player has yet been signed by an American team.

Jamie Moyer, a Seattle Mariners pitcher who played for the visiting U.S. team, said he was impressed with Suzuki. "Ichiro is very composed and has good bat control," he said. "I'm not sure there is anyone in the major leagues faster from home to first base." Moyer said he felt Suzuki was ready for the majors.

According to the ranking system used by scouts from U.S. teams, Suzuki would be among the top four or five defensive outfielders in the majors. There are doubters, however. Sadaharu Oh, the Japanese home-run legend, said players in his country were still far behind American major leaguers when it came to bat speed. But he said that with more exposure to superior competition, Suzuki could develop the necessary skills.

Mike Hargrove, the Cleveland Indians' manager and skipper of the visiting U.S. major-league squad, was not overwhelmed with Suzuki.

"He's above average as a runner, and he has an above-average arm in right field," Hargrove said. "Still, I would see him as a fourth outfielder on a major league team."

Suzuki was a pitcher in high school in his native Nagoya, but in his final year at school he led all batters in Japan. The Blue Wave drafted him and switched him to the outfield. He then spent his first two years of professional baseball as a struggling teenager bouncing back and forth between the minors and Orix. Shozo Doi, the Blue Wave manager, was put off by what he perceived as the player's indifference.

But when the team hired Akira Ogi as its manager, Ogi immediately promoted Suzuki, and the 20-year-old responded by hitting .385 — a Pacific League record — and winning most-valuable-player honors. Ogi also urged Suzuki to use only the name Ichiro, reasoning that there were many Suzukis in Japan but there would be few Ichiros.

Suzuki relishes talking to foreign media, but when he speaks to the Japanese press his responses are terse and brief. He has seen every aspect of his private life reported here and every detail of his performance scrutinized. While he is too gracious to be openly hostile, it is clear that he yearns to escape from his Japanese fishbowl existence.

He says meeting Michael Jordan in Chicago was a thrill for him. The basketball superstar gave Suzuki an autographed pair of shoes and some advice. "Michael told me that fans are always going to expect more than you are capable of doing," Suzuki said. "He said to be true to yourself and don't give more than is possible. Michael then wished me good luck."

The Americans won the seven-game series, which ended Sunday, five games to two, and Sosa wowed the hosts. Everyone wanted a piece of Sammy — who broke the major-league home run record this year with 66 but still finished second to McGwire, who hit 70. Five of Japan's most famous sumo wrestlers descended upon his squad's clubhouse in hope of saying hello.

Suzuki, who hit .380 and stole seven bases in the series, recognizes that his fate is tied to his club's willingness to release him. Under the Japanese system, a player is not a free agent until he has completed nine full seasons. "I would just like to play at the highest level in the world," he said "I don't need to be the No. 1 player to be there. I just want to play where I can be relaxed off the field as well as on."

COREBOARD

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
...ey	9	6	0	18	33	35
...rgh	7	5	4	18	43	42
...phia	7	6	4	18	45	37
...landers	8	10	0	16	45	48
...angers	4	8	5	13	39	48

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
...	9	7	2	20	57	54
...	7	3	4	18	40	26
...	6	7	4	16	40	32
...	6	6	3	15	43	41
...nd	6	9	2	14	39	49

SOUTHEAST DIVISION

	W	L	T	Pts	GF	GA
...a	8	7	3	19	48	44
...	6	6	3	15	33	47
...ington	6	7	3	15	37	41
...Bay	6	9	2	14	40	61

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
...	9	8	0	18	53	44
...a	7	4	4	18	42	35
...lle	6	9	1	13	39	47
...	5	10	3	13	38	63

NORTHWEST DIVISION

	W	L	T	Pts	GF	GA
...lon	9	7	1	19	55	45
...ver	8	8	1	17	52	45
...	7	8	2	16	47	48
...a	7	8	2	16	48	49

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
...	9	2	2	20	38	19
...	9	3	2	20	37	27
...a	7	6	4	18	40	38
...eles	5	11	3	13	43	54
...e	4	7	4	12	38	39

WEDNESDAY RESULTS

Detroit	3	0	3—6
Edmonton	1	0	1—2

First Period: D-Yzerman 7 (Lidstrom, Murphy). 2. D-Ward 1, 3. E-Murray 5 (Horcoff). 4. D-Kozlov 2 (Murphy, Holmstrom) (pp). Second Period: None. Third Period: D-Lapointe 4 (Brown, Murphy) 6. D-Yzerman 8 (McCarty) 7. D-Fedorov 4 (Yzerman, Eriksson) 8. E-Pali 1 (Kovalenko, Benoit) (pp). Shots on goal: D- 7-8-11—26. E- 7-5-9—21. Goalies: D-Osgood. E-Essensa.

Vancouver	1	0	1—2
Phoenix	2	0	2—4

First Period: V-Scatchard 3 (Kiatt, Bonin) 2. P-Tocchet 6 (Tkachuk, Roenick) (pp). 3. P-Bissonnette 2 (Roenick, Tocchet) Second Period: None. Third Period: P-Ishister 1 (Tocchet, Tverdovsky) 5. P-Drake 2 (Roenick, Tkachuk) 6. V-Ziesel 4 (Hescroft) Shots on goal: V- 9-9-12—30. P- 7-13-7—27. Goalies: V-Snow, Hirsch. P-Waite.

N.Y. Rangers	0	1	0—1
Anaheim	0	1	2—3

First Period: None. Second Period: A-Ruchin 5, 2. New York. Sundstrom 4 (Gretzky, Kovalev) Third Period: A-McInnis 5 (Karlys, Rucchin) (pp). 4. A-Karlys 9 (Rucchin) (en). Shots on goal: New York 13-10-7—30. A- 7-2-7—16. Goalies: New York. Richter. A-Hebert.

Los Angeles	0	3	1—4
San Jose	1	2	2—5

First Period: S.J.-Murphy 3 (Norton, Sturm) Second Period: S.J.-Friesen 6. 3. L.A.-Robitaille 10 (Murray, O'Donnell) 4. L.A.-Murray 7 (Lacroix) 5. S.J.-Friesen 7 (Nicholls, Nolan) (pp). 6. L.A.-Murray 8 (Vishevsa, Legace) (sh). Third Period: L.A.-Jokinen 3 (Tsyplakov, Duchesne) (pp). 8. S.J.-Granato 3 (Friesen, Rouse) 9. San Jose. Granato 4 (Sturm) (sh). Shots on goal: L.A.-10-8-12—30. S.J.- 12-12-16—40. Goalies: L.A.-Legace. S.J.-Vernon.

Toronto	1	6	0—1
Washington	6	3	1—4

First Period: Toronto. D.King 7 (Johnson, McCauley) (pp). Second Period: Washington. Zednik 2 (Bulis). 3. Washington. Bulis 1, 4. W-Bulis 2 (Zednik, Reekie) Third Period: Washington. Oates 5 (penalty shot) Shots on goal: Toronto. 11-6-10—27. Washington. 6-15-9—30. Goalies: Toronto. Joseph. Washington. Kolzig.

BASKETBALL

EuroLeague

Group C

Alba Berlin 75, Kinder Bologna 72
CSKA Moscow 66, Zadar, Croatia, 68
Ulkerspor, Turk., 79 Olymp. Piraeus, Gre., 89

Group D

Teams, Bologna 84, Villeurbanne, Fr., 61
Samara, Russia, 88, Real Madrid 109

U.S. Colleges Scores

TOP 25

7. Temple (3-0) def. Mississippi 68-52
9. Utah (1-1) lost to Utah State 62-54
21. Indiana (4-0) def. Alabama-Birm. 91-54

LEADING COLLEGE SCORES

Columbia 69, N.J. Tech 58
Dartmouth 69, Vermont 64
Harvard 62, Boston College 61
Holy Cross 62, Hartford 58
Lafayette 63, Princeton 47
Quinnipiac 64, Army 63
Seton Hall 83, Drexel 70
Temple 68, Mississippi 52
Georgetown 83, Georgia St. 68
N. Carolina St. 87, Campbell 36
Old Dominion 83, Hampton 69
Wake Forest 82, UNC-Greensboro 45
E. Illinois 70, Indiana St. 63
Illinois St. 60, Wis.-Green Bay 49
Kansas St. 76, Washburn 60
Kent 67, Youngstown St. 56
Ohio St. 61, Robert Morris 49
Louisiana Tech 72, Baylor 63
Oral Roberts 71, Arkansas St. 66
Texas Christian 74, New Orleans 61
Tulsa 84, Jackson St. 45
Air Force 85, Regis 68
San Francisco 71, UC Santa Barbara 70
St. Mary's, Cal. 73, San Jose St. 56

PRESEASON NIT

FIRST ROUND

SW Missouri St. 72, Missouri 69
Stanford 86, def. South. Methodist 51

QUARTERFINALS

St. Johns 73, Massachusetts 69
Purdue 83, Gonzaga 68
North Carolina 65, Georgia 58

EXHIBITION

Miami 115, Upstate Basketball 90

WOMEN

TOP 25

No. 11 Notre Dame (2-0) def. Butler 71-60.
No. 22 UC Santa Barbara (1-0) def. Northwestern 101-89.

RUGBY UNION

WORLD CUP QUALIFYING

group 1

IN DUBLIN, IRELAND

Romania 27, Georgia 23

STANDINGS: Ireland 3 points; Romania 3; Georgia 0.

Ireland and Romania qualified 1999 finals. Georgia go into repechage.

GROUP 2

IN HUDDERSFIELD, ENGLAND

Italy 67, Netherlands 7

STANDINGS: England 3 points; Italy 3; Netherlands 0.

England and Italy qualified for 1999 finals. Netherlands go into repechage.

GOLF

PGA Grand Slam of Golf

WEDNESDAY IN KAUAI, HAWAII

FINAL

Tiger Woods, U.S., def. Vijay Singh, Fiji, 2-up

THIRD PLACE

Lee Janzen, U.S., def. Mark O'Meara, U.S., 1-up

SOCCER

EUROPEAN CHAMPIONSHIP

GROUP 2

Albania 0, Greece 0

STANDINGS: Latvia 6 points; Greece 5; Norway 4; Slovenia 4; Georgia 3; Albania 2.

GROUP 3

Northern Ireland 2, Moldova 2

STANDINGS: Finland 6 points; Turkey 6; Northern Ireland 4; Germany 3; Moldova 1.

GROUP 5

San Marino 0, Cyprus 1

STANDINGS: Austria 7 points; Cyprus 6; Israel 4; Spain 3; San Marino 0.

GROUP 8

Malta 1, Macedonia 2
Yugoslavia 1, Ireland 0

STANDINGS: Ireland 6 points; Croatia 6; Macedonia 3; Yugoslavia 3; Malta 0.

FRIENDLY INTERNATIONALS

England 2, Czech Republic 0
Germany 1, Netherlands 1
Hungary 2, Switzerland 0
Italy 2, Spain 2
Luxembourg 0, Belgium 0
Portugal 2, Israel 0
Brazil 5, Russia 1

RELIEF '98, TOURNAMENT

WEDNESDAY IN LOS ANGELES

FINAL

Guatemala 3, Mexico 2

THIRD PLACE

Honduras 2, El Salvador 1

FRENCH FIRST DIVISION

Monaco 0, Bordeaux 2

TENNIS

Chase Championships

WEDNESDAY IN NEW YORK

SINGLES

FIRST ROUND

Monica Seles (5), U.S., def. Anna Kournikova, Russia, 6-4, 6-3.

Lindsay Davenport (1), U.S., def. Sandrine Testud, France, 4-6, 7-6 (7-4), 6-0.

DOUBLES

QUARTERFINALS

Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands, def. Martina Hingis, Switz., and Jana Novotna, Czech R. (1), 6-4, 2-6, 6-4.

Alexandra Fusai and Nathalie Tauziat, France (4), def. Elena Likhovtseva, Russia, and Ai Sugiyama, Japan, 4-6, 6-1, 6-4.

ATP Doubles Championship

WEDNESDAY IN HARTFORD, CONN.

GREEN GROUP

Jacco Eltingh and Paul Haarhuis, The Netherlands (1), def. Ellis Ferreira, South Africa, and Rick Leach, U.S. (5), 6-4, 6-4.

Olivier Delaitre and Fabrice Santoro, France (7), def. Todd Woodbridge, and Mark Woodforde, Australia (3), 6-7 (7-1), 6-3, 6-4.

GOLD GROUP

Mark Knowles, Bahamas, and Daniel Nestor, Canada (4), def. Sandon Stolle, Aus., and Cyril Suk, Czech R. (6), 2-6, 6-4, 6-2.

Dan Johnson, and Fransisco Montana, U.S., (8), def. Mahesh Bhupathi and Leander Paes, India (2), 3-6, 6-4, 7-6 (7-4).

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

AL—Announced Bob Gibson will advise AL president Gene Budig on disciplinary decisions next season.

ANAHEIM—Added RHP Mark Harriger, RHP Ramon Ortiz and LHP Scott Schoeneweis to 40-man roster. Signed RHP Brett Grebe, RHP Michael Hartung, RHP Luis Pote, RHP Norman Montoya, RHP Kevin Lomon, RHP Jeff Ware, RHP Mike Fyhrie, RHP Kevin Truntman, RHP Travis Thurmond, RHP Mike Bovee, RHP Joe Jacobsen, LHP DeSean Warren, LHP Darren Winston; C-1B-3B Steve Decker; 3B Tim Unroe; 2B-SS Jeff Huson; 1B-OF Benji Simonton; OF Eddie Christian; OF-1B-3B Jason Herrick, SS Royce Covell.

TORONTO—Released RHP Shannon Withem. Bought contracts of RHP Leonicio Estrella from Hagerstown, SAL, RHP Isabel Giron from Knoxville, SL, and LHP John Bale, INF Joe Lawrence, INF Casey Blake and OF Peter Tucci from Dunedin, FSL.

NATIONAL LEAGUE

N.Y. METS—Agreed to terms with LHP Dennis Cook on 3-year contract. Named Tim Teufel, Larry Doughty and Erwin Bryant scouts.

PITTSBURGH—Acquired OF Brian Giles from Cleveland for LHP Ricardo Rincon.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO—Claimed LB Wayne Simmons off waivers from Kansas City.

OAKLAND—Waived LB John Henry Mills from injured reserve. Put DB Eric Allen on injured reserve. Signed DB Bucky Brooks.

HOCKEY

NATIONAL HOCKEY LEAGUE

NHL—Suspended Florida LW Peter Worrell for 3 games without pay, and fined him $1,000 for elbowing Pittsburgh F Alexei Morozov in Nov. 14 game.

NASHVILLE—Assigned G Tomas Vokoun to Milwaukee, IHL. Recalled G Eric Fichaud from Milwaukee.

N.Y. RANGERS—Agreed to terms with D Eric Cairns.

ST. LOUIS—Assigned C Marty Reasoner to Worcester, AHL.

SAN JOSE—Suspended D Andrei Zyuzin after he refused assignment to Kentucky, AHL. Recalled D Alexandre Bolkov from Kentucky.

OTTAWA—Recalled D Sami Salo from Detroit of the IHL.

TAMPA BAY—Recalled D Andrei Skopintsev and LW Brent Peterson from Cleveland, IHL. Suspended D Michal Sykora indefinitely without pay for refusing to report to Cleveland.

VANCOUVER—Recalled D Chris McAllister from Syracuse, AHL. Waived C Brandon Convery.

COLLEGE

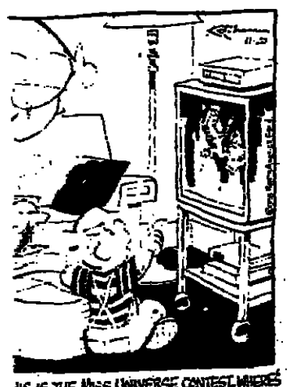
NCAA—Put LSU's mens basketball team on 3 years probation, including ineligibility for this years postseason and loss of 2 scholarships a year for 3 three years, because booster payed former player Lester Earl. LSU will also forfeit 5 victories Earl played in.

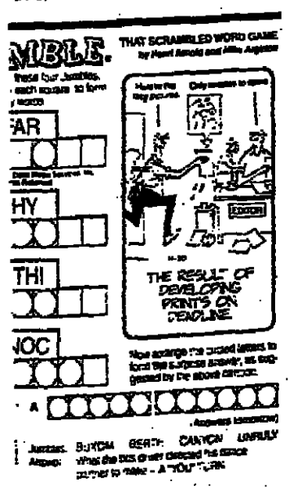
WESTERN ATHLETIC CONFERENCE—Suspended San Diego State DE Antwone Young 1 game for fighting and striking official in game against San Jose State.

MID-CONTINENT CONFERENCE—Suspended Southern Utah F Chad Bay 2 games for fighting in a Nov. 14 game.

CLEMSON—Fired Tommy West, football coach, effective at end of season.

LOYOLA, ILLINOIS—Suspended F Alvin Robinson indefinitely from the mens basketball team for violating team rules.





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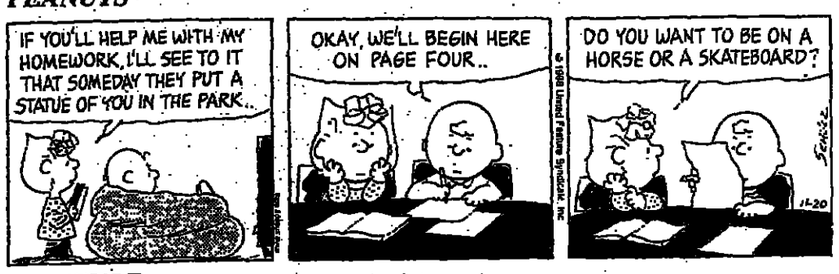

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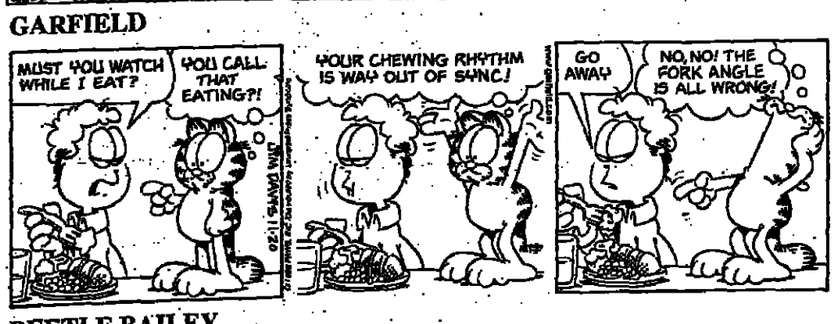
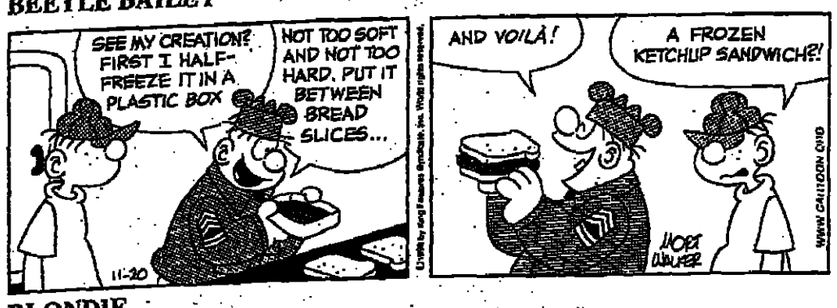


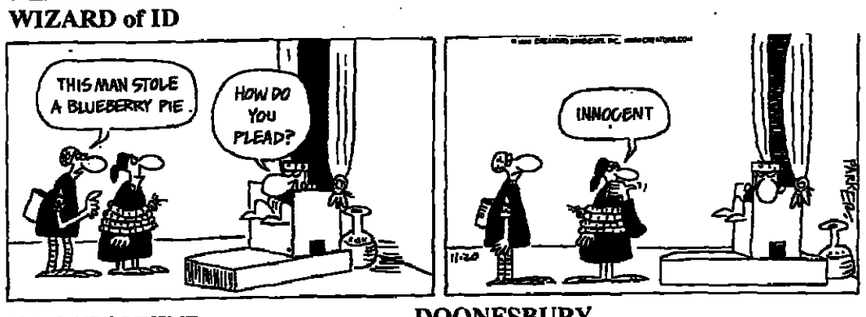
BEETLE BAILEY



BLONDIE

CALVIN AND HOBBES

WIZARD of ID



NON SEQUITUR

DOONESBURY

POSTCARD

Spain's Treasure Chest

By Al Goodman
New York Times Service

MADRID — The government finally unveiled the winning design for the most controversial part of the long-delayed expansion of the Prado Museum, but on the day of the announcement last week, the winner, Rafael Moneo, was out of town.

He was in New York to present his addition for the Museum of Fine Arts in Houston, one of his big U.S. projects, which also include the $100 million Our Lady of the Angels Cathedral under construction in Los Angeles.

Moneo, 61, is arguably Spain's best-known architect, and now he must enlarge this country's most famous museum, a treasure chest of art plagued by years of official indecision over modernization. He says he and the museum are a perfect match.

"I have visited the Prado since I was a child and know well its problems, so for me it's a great source of satisfaction and responsibility," he said recently. "I'd like to put my architectural experience at the service of this project."

The Prado project, after two decades of debate, is more modest than earlier drafts. But it still aims to expand the 179-year-old museum from two buildings to five, in hopes of better showcasing its unparalleled collection of Velazquez, Goya, El Greco, Rubens and Hieronymus Bosch. It will also allow the museum to display hundreds of paintings now in storage.

Parliament promised in 1995 to remove politics from the state-run Prado, and to start by fixing the leaky roof of the neoclassical rectangular main building. It was designed by Juan de Villanueva and has been used since the museum opened in 1819.

The $14 million roof work has forced the 1656 Velazquez masterpiece "Las Meninas" to change galleries twice. But in the process, new space was created on the remote third floor to exhibit 18th-century European art.

Moneo will guide the expansion's most closely scrutinized phase, to cost at least $25 million. In the first major addition in decades to the main building, he will add a glass-roofed foyer that will contain shops and the cafeteria, removing them from the main building and making more room for galleries.

□

The wedge-shaped foyer, in turn, will connect the main building to Moneo's planned Prado addition on the street behind. That new structure, with two underground levels topped by a four-story cube of red brick, will house temporary exhibitions, the library and restoration workshops.

The addition will incorporate the stone ruins of the 17th-century cloisters that royalty once used as a spiritual retreat. The Roman Catholic Church ceded the cloisters to the museum, but the adjacent Jeronimos Church will stay open for worship and for royal ceremonies and society weddings.

The architectural competition's jury lauded Moneo's plan as "discreet and controlled" in linking the main building to the cloisters in the aristocratic neighborhood.

Moneo has designed half a dozen other museums, including the rehabilitation in Madrid of the Villahermosa Palace for the Thyssen-Bornemisza Museum, which the Prado once coveted for its own expansion. He beat eight other competitors in the contest run by the government.

Stories to Tell: Growing Up as Castro's

By Mirta Ojito
New York Times Service

NEW YORK — The only daughter of Fidel Castro walked into a midtown French restaurant looking disheveled, out of sorts, lost.

She was an hour and 20 minutes late. She said she'd lost her way to Times Square on the subway.

Like her father, Alina Fernandez, 42, has long fingers and a darkness in her eyes that makes her appear distrustful. Unlike her father, she has no power, no money, no home, not even a famous last name. But she has stories to tell.

And, as the children of famous men and women often do, Fernandez has written a book that has just been released — a tantalizing prospect for anyone who is curious about the private life of Castro.

Yet very little in the book is about Castro himself. "Castro's Daughter: An Exile's Memoir of Cuba," which has just been published in the United States, is the story of Fernandez and the Cuba she knew for almost 40 years, the years her father has been in power.

"It is my biography, not his," she said. "But it is his name that sells, not mine."

Fernandez, who said she never had her father's direct telephone number, visited his house only once and spent very little time with him and his family, seven sons by three women. Since she left Cuba in 1993, disguised as a Spanish tourist with a false passport, the two have not spoken, she said.

But even before she left, relations were strained, in part because she did not like Castro as a father or as a political leader. In 1989, while still living in Cuba, Fernandez began to criticize Castro's government publicly and became a fixture in the dissident movement.

"I'm just another exile with a story to tell," she said, eyeing her bowl of lettuce with suspicion. "I'm nervous today, and when I'm nervous I can't eat."

Fernandez ordered a tuna salad, but she had the waiter return it to the kitchen. Too big, she said. Instead, she asked for a glass of red wine. She fingered her cigarettes nervously and, as soon as the lunch crowd had left, she lighted up and asked for coffee.

She has long had a troubled relationship with food. She said she was anorexic for a while and was once so sick that one of her four former husbands may have saved her life by putting bits of half-chewed food into her mouth, as if she were a bird.

"It is not easy being Fidel Castro's daughter," she said with a sigh. "In Cuba or here. When people see the child of their executioner, it reminds them of him. When I see his victims, I can't help feeling some tension, some guilt."

There was pain in her voice, and a touch of boredom, too, as she told her story. Fernandez was born in 1956, from a liaison between Castro and Natalia Revuelta, a beautiful, rich socialite married to a doctor, Orlando Fernandez, who gave Alina his last name.

Revuelta fell in love with Castro, who was then married to a woman named Myrta Diaz-Balart, in the heyday of the insurrection that propelled him to power in 1959. The two met when Revuelta, who knew that Castro was an opposition leader, sent him a key to an apartment she kept in a ritzy Havana neighborhood so that he could use it to plan his underground activities.

When Castro was caught and sent to prison in 1953, Revuelta and Castro corresponded in secret until, one day, he mailed to his wife a letter intended for Revuelta and vice versa. Diaz-Balart filed for divorce and later left the country.

Once Castro seized control of the government, Fernandez also left the country, with the couple's older daughter, Natalie, leaving Revuelta in Havana with Alina. While Castro visited his mistress and daughter quite often in the early years of the revolution, he never offered to marry Revuelta and never treated his daughter as such.

By the time he offered to give his daughter his last name, it was too late. Alina, then 12, told him she preferred hers.

Alina Fernandez: "I want it to end with the book."

As her book makes clear, Fernandez was the victim of her father's mood swings. Sometimes he appeared to care for her; most times, he ignored her. On occasion he brought her gifts. Balzac's complete works in French and a doll that looked like him. A few times, he called her to the presidential palace to admonish her for her rebellious character. But, Fernandez said, there was no pattern to his behavior, making it impossible for her to even attempt to please him.

"I lived my life as if I were any other Cuban in a country with no food, no electricity, no good-paying jobs, no freedom to move, not even freedom to leave if you didn't like it," she said. "Being his daughter meant only that I was watched all the time."

But it also meant that despite her rebelliousness and obvious dislike of her father's government, she was never jailed, as many dissidents were. Nor was her life like everyone else's. Jobs were available when she wanted them, and competitive Fe[illegible] that [illegible] mus[illegible] was punished [illegible] daughter. In Cu[illegible] dez was resented [illegible] not like her father[illegible] who wished they [illegible] Castro and mistrusted by everyone else. She had few[illegible] and even fewer privileges.

"If the world knew the [illegible] about the history of this young woman, perhaps her situation would be different," he wrote in a newspaper column in 1988, the year Fernandez began her desperate attempt to leave Cuba.

At the time, she was married to a Mexican citizen and wanted to travel to Mexico. Her father denied her request. The marriage ended in divorce. Eventually, aided by Spanish friends with ties to human rights groups, she left Cuba — and her only child, a daughter, Mumin. Soon after, Castro allowed his granddaughter to leave. Now 20, Mumin lives in Miami with her father.

After a brief stay in New York, Fernandez moved to Spain. She now lives in Madrid, the one place where she has found a measure of peace and where, she says, she hopes she will one day be able to stop talking about the man people call her father and she calls Fidel.

"I want it to end with the book," she said. "But if it doesn't, I've come to terms with it."

Alice McDermott Wins National Book Award

New York Times Service

NEW YORK — Alice McDermott, the author of "Charming Billy," a novel about Irish-Americans and the way a lost love can continue to haunt a life, was the surprise winner of the National Book Award for fiction.

The expected winner had been Tom Wolfe's "A Man in Full," a book about race and real estate in the New South. "Charming Billy" also beat another strong contender, "Damascus Gate" by Robert Stone, the story of a conspiracy to blow up the Temple Mount in Jerusalem.

The chairman of the judging panel for fiction, Thomas Mallon, said "Charming Billy" had "a voice like nothing we could recall. It found us. It was what we kept hearing."

McDermott, who lives in Washington, was a National Book Award finalist in 1987 for her novel "That Night."

The nonfiction award went to Edward Ball for his first book, "Slaves in the Family," about his search for the descendants of the slaves owned by his ancestors in South Carolina and his attempt to confront the moral burden of slavery. Ball, who was a columnist for The Village Voice, said he planned to use a fourth of his book's earnings to set up a foundation with both black and white members "to create restitution programs we design together."

The winner of the poetry award was Gerald Stern for "This Time: New and Selected Poems," a summary of a lifetime's work of poems about the city, memory and faith.

Louis Sachar won the award for young people's literature for "Holes," a humorous story of a teenager who is wrongly sent to a detention center.

Each winner received $10,000, and $1,000 each went to the runners-up.

The National Book Foundation, which administers the awards, gave John Updike, author of 49 books, the 1998 National Book Foundation Medal for Distinguished Contribution to American Letters and $10,000.

PEOPLE

MICKEY MOUSE, the animated rodent in short pants, has turned 70. To mark the occasion, the Disney studio plans a four-hour birthday broadcast to be shown on two of its cable television channels. The company also unveiled a painting by **John Hench**, the official portrait artist of Mickey Mouse. Hench first put the mouse on canvas in 1953 for Mickey's 25th birthday. Mickey Mouse was born on Nov. 18, 1928, in a cartoon entitled "Steamboat Willie" in which his creator, **Walt Disney**, was also his voice. Walt Disney once described Mickey Mouse as "a little fellow trying to do the best he could." At the beginning, Disney wanted to call his new creation "Mortimer," but apparently was overruled by his wife, who said the name lacked charm. She suggested "Mickey."

□

The actor **Alain Delon** has lost a bid to block publication of a biography of him. A judge in Paris ruled that a ban imposed in August on **Bernard Violet** is contrary to freedom of expression because the final contents of the book are uncertain. Delon, who has seen a synopsis, accused Violet of being a "spelunker of the garbage can" to get information.

□

Athina Roussel, the heiress to the Onassis shipping fortune, attended a memorial service to mark the 10th anniversary of her mother's death. The 13-year-old granddaughter of the late shipping mogul **Aristotle Onassis** placed 38 roses on her mother's grave, representing **Christina Onassis'** age at the time of her death. Her father, **Thierry Roussel**, accompanied her to the Ionian Sea island of Skorpios, a family spokesman said.

□

The French magazine Voici has been ordered to pay $12,500 in damages to **Trevor Rees-Jones**, the bodyguard of **Diana, Princess of Wales**, for publishing an "interview" he says never took place. The magazine was also ordered by a court in Paris to publish the ruling in its next issue. Rees-Jones was the sole survivor of the 1997 crash that killed Diana, **Dodi al Fayed** and their driver, **Henri Paul**.

□

A Stradivarius violin was sold for £529,500 ($884,000) in London, below the price hoped for by Christie's auction house. It was bought by an anonymous private buyer over the telephone. Of about 1,000 violins made by the Italian instrument-maker **Antonio Stradivari** from 1670 to 1730, only 450 to 500 are still in circulation. One of them fetched a record £947,500 at auction in London in April.

John Hench with his portrait of Mickey Mouse.